

Department of the Navy

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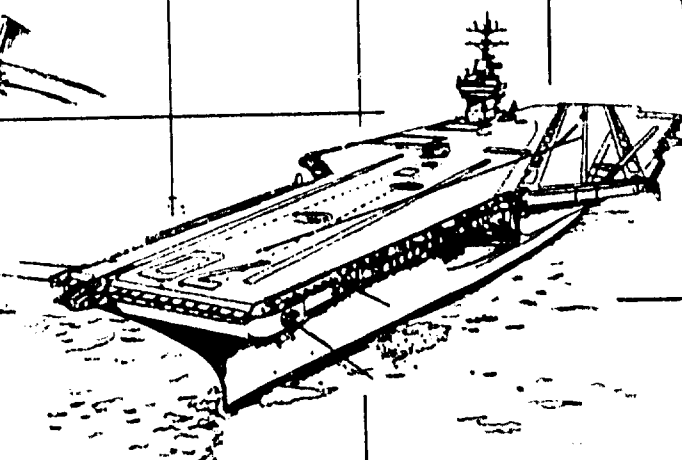
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Report to the Congress

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**The Honorable
H. Lawrence Garrett, III
Secretary of the Navy**

On April 13, 1989, President Bush nominated H. Lawrence Garrett III to be the Secretary of the Navy. Mr. Garrett was confirmed by the Senate on May 12, 1989, and took the oath of office on May 15, 1989, becoming the 68th Secretary of the Navy.

Mr. Garrett was born June 24, 1939, in Washington, D.C., and raised in Miami, Fla. He enlisted in the United States Navy in October 1961 and subsequently qualified in submarines as a machinist's mate. Mr. Garrett was commissioned in April 1964 upon completion of flight training, serving as a Naval Flight Officer aboard maritime patrol aircraft. Subsequently, he completed operational tours in VP-50 including deployments in Vietnam.

In 1972 he transferred to the Judge Advocate General's Corps, where he rose to the rank of Commander. He served from 1974 to 1978 as Force Judge Advocate/Legal Advisor to the Commander, Submarine Forces, U.S. Pacific Fleet, Pearl Harbor. In January 1979 while serving in the Office of Civil Law in Washington, D.C., Office of the JAG, he was detailed to assist in developing the federal regulations pertaining to the Ethics in Government Act of 1978. In February 1981 he was detailed to the White House as Assistant Counsel in the Office of Counsel to the President. He retired from the Navy in 1981.



Subsequently, Mr. Garrett was Executive Assistant to the President and Chief Operating Officer of the U.S. Synthetic Fuels Corporation. In 1983 he returned to the White House as Associate Counsel to the President of the United States. Mr. Garrett served as General Counsel of the Department of Defense from February 1986 to August 1987. Prior to his appointment as Secretary, Mr. Garrett served as Under-Secretary of the Navy from August 6, 1987.

Mr. Garrett earned a B.S. degree in Business Management from the University of West Florida in Pensacola, Fla., and received his J.D. degree from University of San Diego School of Law, San Diego, graduating cum laude.

A member of the California and District of Columbia Bars, he is licensed to practice before the United States Supreme Court, the Supreme Court of California, the District of Columbia Court of Appeals, the U.S. Court of Military Appeals and the U.S. District Court for the Southern District of California.

Mr. Garrett is married to the former Marilyn K. Bender of San Diego. They reside in Oakton, Va. They have two children, H. Lawrence Garrett IV and Mrs. Juliana Relihan.

Posture Statement by the Secretary of the Navy

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**A Report by
The Honorable H. Lawrence Garrett, III
Secretary of the Navy
on the Posture and the Fiscal Year 1991 Budget
of the U.S. Navy and Marine Corps**

Introduction

Mr. Chairman, members of the committee, I welcome this opportunity to review with you the posture of the Navy-Marine Corps team, and to discuss with you the Department of the Navy Budget for Fiscal Year 1991.

Mr. Chairman, dramatic changes in the world order are now unfolding that are likely to alter fundamentally the basic tenets of U.S. defense planning. While many of these changes give us cause for great hope, others are cause for great concern. For instance, there has been no increase in regional stability to accompany the positive trend in superpower relations; a simple fact illustrated by events in Asia, Central America and by continued conflict in the Middle East.

Complicating this picture is the rapid proliferation of sophisticated weapons to Third World countries, many with regimes hostile to U.S. interests. And while we welcome the new views expressed by Soviet leaders, Soviet naval capabilities are still formidable, and in some areas expanding. Indeed, progress toward a more democratic Eastern Europe, with its potential for lower

overall levels of armament, is promising, but the course is uncharted and success is far from certain. (S)

Some aspects of our future, however, are more certain. First, the United States will remain unalterably an island nation, a maritime nation, dependent upon the seas to provide the avenues for our international business, for our links to allies overseas and to provide a haven for a large portion of our strategic deterrent.

Second, I believe threats to world peace will spread throughout the world. To support our national security objectives, the Navy and Marine Corps must continue *on station*, maintaining a global presence with forces that can be tailored quickly to political, military and geographic circumstances.

The Department of the Navy's challenge is, within fiscal constraints, to provide to the Unified Commanders-in-Chief a Navy and Marine Corps capable of performing their missions—forces with strong strategic deterrence, sustained worldwide presence



and the flexibility necessary to respond to regional threats; forces which can in addition contribute to national goals of deterring terrorism and the interdiction of narcotics trafficking.

Above all, we must work hard to ensure that actions taken to meet budgetary targets will not reduce our forces in ways that are difficult, if not impossible, to reverse should new threats emerge quickly.

The Department of the Navy FY 91 Budget before you responds to this challenge and establishes the following priorities:

First, people. Our highest budget priority is sustaining the professional quality of our Sailors and Marines. Only through their efforts can our advanced technology, training, tactics and strategy succeed. Accomplishing this requires addressing the aggregate of issues in compensation, quality-of-life and training programs that attract and retain the best of America's young people.

Second, readiness. All deployable Navy and Marine Corps units must be fully manned and ready in terms of ammunition, spare parts and training. Naval forces, as shown by our experience in past contingencies, will be given little, if any, time to prepare for combat. Past lessons learned from the days of hollow forces *shall not be repeated*. Sailors and Marines must know that we will not allow readiness to slip.

Third, balance. Our plan for FY 91 strikes a careful balance among competing requirements including force mix, readiness, sustainability and investment in research and development.

Fourth, combat capability. Because U.S. superiority in anti-submarine warfare is critical to strategic deterrence, warning and all other warfare areas, ASW remains the Department of the Navy's number one warfare priority. At the same time, we must prepare for the most likely power projection requirements, retaining a strength that resides primarily in the strike potential of our 14 aircraft carrier battle groups and the expeditionary capability of our Fleet Marine Force. Moreover, no warfare areas can be totally neglected in an era of rapid technological progress.

And finally, Mr. Chairman, *technology*. The qualitative edge enjoyed by the Navy and Marine Corps must endure—in all missions and warfare areas. Such superiority demands a vigorous research and development program to support the forces of the future, whether or not



a major new threat emerges in the near term. The Department of the Navy's budget reflects this emphasis.

In conclusion, Mr. Chairman, today's volunteer, professional Sailors and Marines are proud to serve in a revitalized, globally-deployed Fleet and Fleet Marine Force, extending the horizons of peace and freedom. All of our men and women, uniformed and civilian alike, are honored to have contributed to the United States strength and resolve that have fostered the peaceful and dramatic events of 1989.

At the same time, we know from experience that uncertainties and dangers remain. The United States is an island nation, dependent upon the seas for our links to our allies, friends and trading partners. Our national security will continue to require a strong, reliable strategic deterrent, sea control and the ability to project power across the world's oceans. As we decide together how to structure our defense for the future we should consider the flexibility and deterrent value of each purchase, favoring those which will have an enduring capacity to respond to the widest variety of likely contingencies.

The Department of the Navy's 1991 Budget reflects a plan that meets that challenge and is balanced and affordable. It is worthy of your support. Thank you, Mr. Chairman.

The Navy-Marine Corps Team and National Defense

The New Security Environment

Dramatic changes in the world order are now unfolding that are likely to alter fundamentally the basic tenets of U.S. defense planning. Political changes in Eastern Europe, a less immediately threatening Soviet military posture and progress in arms negotiations are all factors that may broaden the focus and challenge the basic premises of U.S. defense considerations. At the same time, concern about the federal deficit and pressures to increase funding for domestic programs are combining with international events to produce a growing consensus in favor of reducing the defense budget.

While many of the changes taking place today give us cause for great hope, others are cause for great concern. There has been no decrease in regional instability, a simple fact illustrated by events in Asia, Central America and by continued conflict in the Middle East. Complicating this picture is a rapid proliferation of sophisticated weapons to Third World countries, many with regimes hostile to U.S. interests. While we welcome the new views expressed by Soviet leaders, Soviet military capabilities are still formidable and modernizing, even so far as to incorporate carrier-based, high-performance aircraft. The Soviet Union, now in the throes of political turmoil, will continue to pose the greatest potential threat to the United States and its allies.

Progress toward a more democratic Eastern Europe, with its potential for lower overall levels of armament, is promising, but as with events in the Soviet Union, the course is uncharted and success is far from assured. Moreover, threats to U.S. security interests are becoming more widely dispersed and transnational in character, involving problems as diverse as drug interdiction and terrorism. In this new environment, the United States will have an abiding need for military strength that is mobile, adaptable and that may be operated independently of restrictions to basing and access.

Naval Forces: Still Critical to U.S. Defense

Some aspects of the future, however, are more certain. First, the United States remains unalterably an is-

land nation, a maritime nation, dependent upon the seas which provide the avenues for our international business, for our links to allies overseas, and which provide a haven for a large portion of our strategic deterrent. Second, threats to world peace are spread throughout the world. To support our national security objectives, the Navy and Marine Corps must remain *on station*, maintaining a global presence with forces that can be tailored quickly to political, military and geographic circumstances.

For America, the crisis is always an ocean away. If we desire to retain our role of world leadership, we must preserve the ability to influence events far from our shores, an ability exercised by naval forces in response to crises more than 25 times in the last five years. As access to overseas bases becomes more restricted, as we are able to bring troops home, the President must rely more and more on our ability to operate from the seas. The Navy's sustained worldwide presence at sea lends visible support to alliance cohesiveness, regional stability and the overall security framework for progress toward U.S. foreign policy objectives of peace and freedom.

Aircraft carrier battle groups offer a means, often the *only* means, to effect a regional balance of power at the scene of conflict. Our deployed Marine Expeditionary Units are the only *ready* forces available just off shore from the troubled area. And when the issue is resolved, these forces can just as easily be redeployed, assuming new roles in distant areas of the world. In an era of rapid and unpredictable political changes, this feature is more important than ever. These forces are *on station*



today in international waters and airspace. Using the best of America's technology, these forces can bring combat power to bear or send clear signals—of resolve, reassurance or friendship.

Naval forces, to retain their deterrent effect and prompt responsive capability, must consist primarily of active units at high states of readiness. When America needs naval forces to respond, they must be at sea or ready to get underway. Complex warships cannot be easily created or mobilized for war. The fleet's rapid recovery in preparation for the Korean War, when the battle force expanded from 237 ships in June 1950 to 1,100 ships in July 1951, was based on the large pool of inactive ships (including 29 aircraft carriers, 14 battleships, 51 cruisers and 400 destroyers and frigates) that had been demobilized immediately after VJ Day. Today, such a pool of inactive ships does not exist. In 1950, the first mobilized aircraft carriers joined the fleet within weeks. Today, with more complex combat systems, such a buildup for conflict would take years.

America, if she is to remain a world power, will always have a special need for ready, flexible, mobile maritime forces that can preserve our nation's position of strength around the globe, acting wherever called upon to bring order to unstable and threatening situations. Your Navy and Marine Corps are ready to continue to meet this challenge.

The Navy and Marine Corps Today

As we enter the 1990s, the Navy and Marine Corps team is emerging from a decade marked by growth and substantial modernization, and by a restoration of unit readiness and stocks of war reserve materials that had eroded in the lean years of the 1970s. Our forces are ready, well balanced and are manned by top quality Sailors and Marines. Our challenge as we plan for 1990 and beyond is to preserve the readiness of our naval forces to support the National Military Strategy, performing our enduring missions of strategic deterrence, power projection, sea control and strategic sealift in what promises to be an era of rapid but clearly unpredictable change.

The U.S. force of ballistic-missile submarines today is the most cost effective and secure leg of the strategic triad, providing half of the nation's deliverable warheads for only one-quarter of the strategic budget. The new, more accurate and longer range D-5 missile will serve our deterrent needs well in an era of sharply reduced strategic inventories.



Our conventional striking power at sea is distributed widely, from the combined punch of a full aircraft carrier battle group, to the independent and selective use of submarines and surface ships with *Tomahawk* cruise missiles. Just as an aircraft carrier is a sea-based airfield, amphibious ships are the Marines' operating and maintenance bases; logistics and troop assembly areas; and the attack positions from which its forces can strike. Amphibious forces are optimally suited for crisis response missions ashore because they can be deployed, recalled, reconstituted and subsequently redeployed as the political situation unmask its demands on our military capabilities. Marine Expeditionary Force modernization has resulted in greater mobility and, through the use of pre-positioned afloat material, greater staying power wherever Marines may be called into action. With a shrinking overseas base network and fewer nations willing to allow access to their facilities, the strike and self-sustaining capabilities of our naval power projection forces are appreciating in value to our security with each passing day.

For a world power separated from its allies by oceans and reliant upon seaborne trade, sea control is the *sine qua non* for the other roles of deterrence, power projection and lift. Unless we can sail safely, delivery of firepower or support of forces ashore is impossible. The new technologies of low radar observability, electronic warfare and submarine acoustic quieting are challenging our ability to defend against enemy aircraft, missiles and submarines. Our new aircraft, warships and submarines, by necessity, incorporate the best of these characteristics, and the best available sensors and weapons to defend our forces at sea.

Arms Control

The U.S. objective in arms control is the enhancement of U.S. security while preserving an effective deterrent, supporting alliances and achieving real reductions in risk. To that end, naval forces are included in U.S. negotiating proposals at the Strategic Arms Reduction Talks (START) in Geneva, and the Conference on Disarmament in Europe (CDE) talks in Vienna. They are properly excluded from the Conference on Conventional Forces in Europe (CFE) talks, which are focused on correcting the huge and destabilizing asymmetry in ground forces in Europe.

The U.S. position on naval arms control has been explicitly put forward by the President and many other senior spokesmen in the past few months. The policy of not negotiating on naval arms control is a function of both a clear understanding of the maritime requirements of this nation and a desire to bring the current talks to a successful conclusion within their specified terms of reference.

In contrast, recent Soviet public statements concerning naval arms control have been clearly aimed at negating the West's necessary maritime strength, and thereby limiting U.S. ability to respond to crises or to reinforce our allies. The U.S. need to operate naval forces, globally and unconstrained, is analogous to the Soviet objective to maintain the freedom to reposition armed forces within their borders. The sea lines of communication defended by the Navy and Marine Corps have exactly the same vital importance to the West as the railway system defended by the Soviet army.

Our need for credible power at sea is not and never has been related solely to the capabilities of the Soviet Union. Seagoing forces throughout our history have responded time and time again to the nation's call for rapid, effective response to threats to our security. Most



recently these threats are posed by less predictable but increasingly capable forces in the Third World. Moreover, any arms control agreement that would restrict our ability to defend our interests anywhere in the world would weaken the West's deterrent posture and consequently decrease Western security.

Anti-drug Operations

The Department of the Navy is fully committed to the detection and countering of the production, trafficking and illegal use of drugs. Through assistance and cooperation with law enforcement agencies and other services, we are taking action to prevent, disrupt and deter illegal drug use.

The Department of the Navy moved aggressively in the 1980s to attack the drug use which was undermining military readiness. Testing, education and enforcement within the Navy and Marine Corps has reduced the incidence of drug abuse, as detected by random urinalysis, from 33 percent 10 years ago to about 5 percent today. The policy of "zero tolerance" has had a positive impact on morale, military fitness and readiness, and stands as a positive example to the rest of society. At the same time, the Department of the Navy has steadily increased its support to law enforcement agencies to stem the pervasive drug trafficking which cripples American society.

While the law directs that military personnel are not to participate directly in search, seizure or arrest, Sailors and Marines have taken an enlarged role in supporting national counternarcotics operations, and a *leading role* in detecting and monitoring the aerial and maritime transit of illegal drugs into the United States. In addition, the Department of the Navy directly assists law enforcement efforts through training, facilities, logistics, maintenance, communications and equipment.

Since 1982, Navy ships have embarked U.S. Coast Guard Law Enforcement Detachments for dedicated counternarcotics operations or when steaming in common drug trafficking areas. Navy ships provide the bulk of the surface and air assets of the joint U.S. Caribbean Squadron, which conducts interdiction operations near to the source countries and in choke points, such as straits where transit routes converge.

Today's expanded anti-drug operations, initially concentrated in the Caribbean area, have been extended to the Pacific. Our ships at sea are empowered at appropriate times to use warning shots, and if necessary, disabling fire to stop drug traffickers before they reach our shores. Navy aircraft, primarily P-3s, E-2s, S-3s and shipboard helicopters, routinely conduct dedicated anti-drug surveillance operations. Marine OV-10 aircraft have been used as well to support Customs and Coast

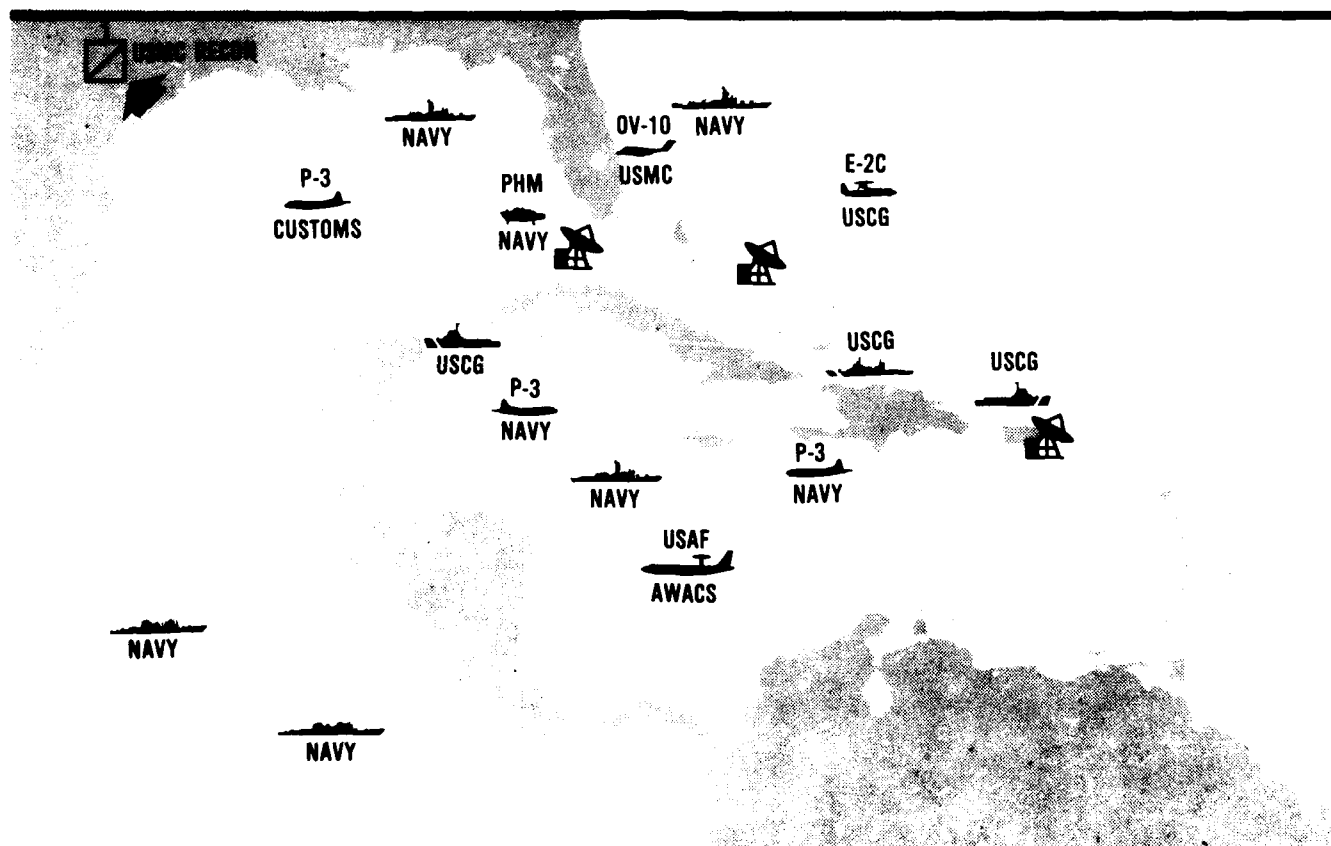
Guard operations. Marines man surveillance radars in the northern Caribbean area, and conduct joint training with the U.S. Border Patrol in selected areas along the southwest border which are commonly used for drug smuggling.

Navy Drug Interdiction Patrols

<i>Fiscal Year</i>	<i>Ship Steaming Days</i>	<i>Aircraft Flying Hours</i>
1988	2,037	7,382
1989	2,081	10,001
1990*	3,633	40,870
1991*	4,844	40,870

*Estimate

Counternarcotics Operations



Navy and Marine Corps personnel, both active and Reserve, are assigned to the regional offices of the Office of National Drug Control Policy, the State Department and to the U.S. Drug Enforcement Administration to provide planning, intelligence, logistics, communications and operational support. One hundred twenty-six billets at the new joint task forces dedicated to drug interdiction are filled with Navy and Marine Corps personnel.

Naval Operations in 1989

Throughout 1989, Sailors and Marines supported United States security interests in the full range of missions, from strategic deterrence, presence and humanitarian action, through major international exer-

cises, to crisis response. The summary of selected 1989 events is a clear indicator of the enduring role of naval forces in American security policy.

When not responding to crises or emergent tasking, Navy and Marine Corps units operated last year in all the world's oceans, exercising with European, Asian and Latin American navies to build expertise and to reinforce the fabric of the alliances which America leads. U.S. ballistic-missile submarines, operating quietly and undetected, conducted more than 100 deterrent patrols. While on routine transits and exercises, Navy ships rescued more than 250 refugees in the South China Sea. Ships assigned to the Joint Task Force Middle East escorted U.S. flag vessels through Persian Gulf shipping lanes, acting as a force for stability in that area, now the

1989 Highlights

January to December: Ships of the Middle East Force in 1989 completed 236 *Earnest Will* missions, ensuring the safe transit of 262 United States-flag ships through the Persian Gulf

January: Two F-14s from USS *John F. Kennedy* (CV 67) shot down two Libyan MiG-23 fighters which were maneuvering to attack the Navy aircraft.

February: Amphibious ships with an embarked Marine Expeditionary Unit moved toward Lebanon following a missile attack on the U.S. Ambassador's residence.

April: Amphibious ships with embarked Marines and oil recovery craft assisted in the cleanup following a tanker accident in Prince William Sound, Alaska.

May: Even as events in Beijing unfolded, USS *Blue Ridge* (LCC 19), USS *Sterett* (CG 31) and USS *Rodney M. Davis* (FFG 60) were welcomed in Shanghai, in the first visit to that city by U.S. Navy ships since 1946.

June: The fast sealift ship USNS *Bellatrix* (T-AKR 288) transported Army personnel and equipment to the Panama Canal in response to political turmoil.

August: USS *Coral Sea* (CV 43), USS *Iowa* (BB 61), USS *Belknap* (CG 26) and an Amphibious Ready Group with an embarked Marine Expeditionary Unit were stationed off Lebanon in response to the suspected hanging of Marine Col. William R. Higgins and to threats to other hostages. USS *America* (CV 66) battle group was ordered to the North Arabian Sea.

August: USS *Thomas S. Gates* (CG 51) and USS *Kauffman* (FFG 59) made a port call in Sevastopol, responding to the

July visit of three Soviet ships to Norfolk.

September: In the aftermath of Hurricane Hugo, USS *Clifton Sprague* (FFG 16), USS *Stephen W. Groves* (FFG 29), USS *Semmes* (DDG 18), USS *Pensacola* (LSD 38), USNS *Neosho* (TAO 143), USS *Gunston Hall* (LSD 44) and USS *Austin* (LPD 4) provided emergency services including communications, medical aid, food, electrical power and drinking water to residents of Puerto Rico and the U.S. Virgin Islands. Emergency teams of the USS *Frank Cable* (AS 40) and from Charleston area ships and shore activities assisted in disaster recovery efforts in the Charleston, S.C., area.

October: USS *Blakely* (FF 1072) participated in the 115th combined Navy-Coast Guard drug seizure.

October: Following the San Francisco earthquake, USS *Lang* (FF 1060) provided steam for power generation; USS *Gray* (FF 1054) provided emergency electrical service for the Marina District; and USS *Peleliu* (LHA 5) and USNS *Mercy* (T-AH 19) provided food and shelter for hundreds of earthquake homeless. In all, more than 11,000 Sailors and Marines aided in the recovery efforts.

December: U.S. and Soviet navies hosted a summit meeting between President George Bush and General Secretary Mikhail Gorbachev in the Mediterranean Sea.

December: An Amphibious Ready Group with an embarked Marine Expeditionary Unit; USS *Midway* (CV 41) and USS *Enterprise* (CV 65) battle groups; and Marines reinforcing the U.S. Embassy in Manila responded to the attempted coup against Philippine President Aquino.

December: Navy SEALs and Marines participated in the restoration of Panama to elected civilian rule.



scene of an uncertain peace. Marine Corps forces in 1989 completed their Persian Gulf Mobile Seabase operations.

Resources of the Department of the Navy

Few issues are more discussed and less understood today than the relation of defense spending to the federal budget and to national economics. As the figures show, our current, declining level of defense spending represents a relatively small and decreasing portion of our national economy, and a decreasing portion of federal expenditure. In fact, by the Department of Defense plan, in FY 95 both measures of defense expenditure will achieve their lowest levels in more than 50 years. This general downward trend in defense spending reflects an appreciation of changes in U.S. security needs, taking into account political changes in Eastern Europe and the Soviet Union, as well as the enduring defensive missions of our armed forces. Moreover, the funding level devoted to national defense must reflect primarily the genuine security needs of the nation, as derived from the National Security Strategy.

The successive revisions made necessary by the defense budget cuts of the last five fiscal years have had

cumulative effects. Foremost is the increased risk which attends the curtailment of some promising development and procurement programs in order to fund our more urgent operating needs. Second, efficiency is lost when we introduce change and instability in procurement programs that increase business costs.

Despite the constant tempo of operations worldwide, funding for Navy and Marine Corps programs has experienced real decline for the sixth straight year. In real terms, the FY 91 Department of the Navy program remains below that for any fiscal year since 1982. Budget austerity will result in FY 91 in the deactivation of 23 ships, a decrease only partially offset by the FY 91 delivery of 18 ships funded in prior years. Deactivated units in FY 91 include two battleships, 11 guided-missile destroyers, one diesel submarine, eight nuclear-powered attack submarines and one fleet oiler. Six frigates and an amphibious landing ship will be transferred in FY 91 from the active to the Reserve fleet. The Marine Corps placed three infantry battalions in cadre during FY 89 and transferred several active support units to the Reserves. Program cancellations since the FY 90/91 President's Revised Budget Submission last year include *Maverick* after FY 90 and *Harpoon* after FY 91. Pro-

Defense Budget Trends

<i>Fiscal Year</i>	<i>DoD Percent of GNP</i>	<i>DoD Percent of Federal Outlays</i>
1984	6.0	25.9
1985	6.2	25.9
1986	6.3	26.8
1987	6.2	27.3
1988	5.9	26.5
1989	5.7	25.8
1990*	5.2	24.0
1991*	5.0	23.7
1992*	4.7	23.3
1993*	4.4	22.6
1994*	4.2	21.6
1995*	4.0	20.6

*Estimate

curement of the M-1 Tank concludes in FY 90 and development funding for the V-22 and *Sea Lance* is terminated after FY 90.

Navy battle forces overall will continue to decline in number, from a strength of 566 ships in FY 89 to a fleet of 546 in FY 91. With funds appropriated for FY 89 the Department of the Navy initiated procurement for 207 aircraft and 20 ships. Funding for FY 90 will support a buy of 145 aircraft and 19 ships, including an icebreaker for the U.S. Coast Guard. The budget request for FY 91 includes funding for 178 aircraft and 15 ships.

Budget Priorities

Our challenge is, within fiscal constraints, to provide to the Unified Commanders-in-Chief a Navy and Marine Corps capable of performing their missions, with a strong strategic deterrent, a sustained worldwide presence and the flexibility necessary to respond to regional threats and to contribute to national goals of deterring terrorism and the interdiction of narcotics trafficking. At the same time, domestic fiscal pressures require that we concisely define and articulate our requirements as we continue to provide for our nation's security needs. Above all, we have worked hard to ensure that actions taken to meet budgetary targets will not produce effects that are difficult, if not impossible, to reverse, should new threats emerge quickly.

The FY 91 budget reflects these highest priorities:



- **People.** The Department of the Navy's highest budget priority is sustaining the professional quality of our Sailors and Marines. Only through their efforts can our advanced technology, training, tactics and strategy succeed. Accomplishing this requires addressing the aggregate of issues in compensation, quality-of-life and training programs that attract and retain the best of America's young people.

- **Readiness.** *All* deployable Navy and Marine Corps units must be fully manned and ready in terms of ammunition, spare parts and training. Naval forces, as shown by our experience in the past contingencies, will be given little, if any, time to prepare for combat. Past lessons learned from the days of hollow forces *shall not be repeated*. Sailors and Marines must know that we will not allow readiness to slip.

- **Balance.** Our plan for FY 91 strikes a careful balance among competing requirements including force mix, readiness, sustainability and investment in research and development.

- **Combat capability.** Because U.S. superiority in anti-submarine warfare is critical to strategic deterrence, warning and all other warfare areas, ASW remains the Department of the Navy's number one warfare priority. At the same time, we must prepare for the most likely power projection requirements, retaining a strength that resides primarily in the strike potential of our 14 air-

craft carrier battle groups and the expeditionary capability of our Fleet Marine Force. Moreover, no warfare areas can be neglected in an era of rapid technological progress, when high-technology weapons spread quickly to unreliable actors and when the character of military operations is difficult to predict.

● **Technology.** The qualitative edge enjoyed by the Navy and Marine Corps must endure—in all mission and warfare areas. Such superiority demands a vigorous research and development program to support the forces of the future, whether or not a major new threat emerges in the near term.

Sailors and Marines

"This meeting is taking place because you have done your jobs; you have done your duty. You and Sailors like you all around the world have kept us strong and helped the horizons of democracy eclipse nation and race. Because of you, freedom is sweeping the globe. Our meeting here off Malta will last two days, but the freedoms that we seek must last for generations." — President George Bush aboard USS *Forrestal* (CV 59) Dec. 1, 1989.



Today's Sailors and Marines are better trained and equipped than at any time in the Navy's history. Today, more than 90 ships are underway, with about 100,000 Sailors and Marines, *on station*, demonstrating their commitment and dedication to our country by serving in virtually every area of the globe. When our national interest requires military action, as it has more than 50 times in the last 10 years, Sailors and Marines have been there, ready and willing to respond as a fully-trained, integrated and professional fighting force.

Our volunteer Sailors' and Marines' professionalism and dedication are evident wherever they serve in the fleet. But sea duty remains a particularly arduous endeavor. Our men and women rate family separation as the number one "dissatisfier" in their careers. Six month deployments, underway periods away from their home ports and overnight duty in port all combine to strain their quality of life. We must not ask our servicemen and their families to bear the burden of declining defense budgets by retreating from today's personnel

A Sailor's First Tour

Our first-term enlistee is typically a high school graduate who finished in the top academic half of his class. He enlisted for four years of service, and received five or more months of military and technical training before reporting to his first ship.

During his first sea tour, our young Sailor will make two six-month deployments to the Western Pacific, the Mediterranean or the Middle East. Between these major deployments, his ship will spend 30 percent of its time underway for routine testing, training or other operations, such as counternarcotics patrols. At sea, our Sailor has a 70 to 80 hour work week, with demands of training, maintenance and watchstanding. In port, in addition to normal workday duties, he will spend every fifth night aboard the ship for watchstanding and security requirements.

Through a demanding program of classroom and on-the-job training, the typical first-tour Sailor will acquire the technical competence to maintain equipment under his direct responsibility, often with values of more than \$1 million. He will learn quickly about leadership as well, rising typically to the rank of E-5, or Petty Officer Second Class during his first enlistment, a position reflecting his experience and the special trust and confidence we have in our men and women of the sea services.

tempo standards, either by increasing the length of their deployments or by shortening their time in port.

The people who make up today's Navy and Marine Corps are a mirror image of our society, with the same needs and concerns of every individual American. In addition, these professionals have voluntarily accepted the challenges found in today's Navy and Marine Corps with the faith that we will continue to support them and their families' needs. However recent pay increases have failed to keep pace with inflation and the pay gap between military and civilian wage growth continues to widen at an unacceptable rate. Unhappiness with pay has returned as the number two "dissatisfier" with Navy life because of this widening comparability gap. Providing our personnel with competitive compensation and benefits is fundamental to our commitment to retaining a competent, professional force.

As we adjust manpower programs to reflect changes in force structure, it is imperative that we improve the quality and experience of our personnel, and thereby sustain or improve fleet readiness. We must continue to fund personnel accounts to ensure that our people can be promoted, transferred and paid so as to be able to live at a level comparable to their civilian counterparts.

Navy and Marine Corps Reserve

In keeping with Congressional direction, the responsibilities and missions of the Naval Reserve are integral to the Navy's Total Force. Several critical missions are exclusively or predominantly entrusted to Naval Reserve. These include helicopter strike rescue and special warfare support, mobile inshore/undersea warfare and, within the continental United States, heavy airlift and fighter-composite squadrons. The Naval Reserve is now responsible for more than 80 percent of our Control of Shipping organization, cargo-handling battalions, military sealift personnel and mine warfare ships. Upon mobilization, the Naval Reserve would provide more than 50 percent of our mobile construction battalions, fleet hospitals and special boat forces, and almost 35 percent of naval intelligence personnel and 28 percent of the maritime air patrol capabilities needed in wartime.

As a matter of routine, naval reservists train and operate with their mobilization commands in the fleet. Their professionalism and commitment were very much evident in the Persian Gulf where full-time Reserve support personnel (TARS) and voluntarily recalled drilling reservists worked side-by-side with their regular Navy counterparts.



The Marine Corps Reserve is structured, equipped, trained and ready to augment and reinforce the active forces when employed in high-intensity conflict. Upon mobilization, this Reserve component provides up to 33 percent of the Marine Corps' wartime manpower requirements, 40 percent of Marine tank battalions, 25 percent of the artillery, 33 percent of the observation aircraft, 29 percent of the aerial-refueling aircraft, 28 percent of the light-attack aircraft and 25 percent of the anti-aircraft missile capability.

Our reserves are ready for selective call-ups, whether for contingencies, major conflict or special tests of our mobilization capabilities.

Women in the Sea Services

Uniformed women of the Navy and Marine Corps contribute more to accomplishing the Department of the Navy's missions than ever before. Their duties are expanding into every area permitted by law. With the recent selection of women to serve as commanding officers of aviation squadrons, ships and shore commands, Navy women make up 9.6 percent of Navy enlisted personnel and 10.3 percent of the Navy officer corps. A variety of billets historically closed to females have been opened, including 88 of 102 enlisted ratings and all of the officer communities except for submarines and special warfare. A refinement of the Defense Department's interpretation of the combat exclusion laws and modified regulations have facilitated the assignment of more women to sea-going billets, and permitted the assignment of women Marines to Marine Security Guard detachments at embassies and to the Marine Security Force aboard bases and ships.

Today's Marine

Today's Fleet Marine Force is made up of volunteers, men and women personally committed to service, pursuing the intangibles — esprit de corps, pride, courage, self discipline—always associated with the United States Marine Corps.

During his very first tour, a young Marine will deploy overseas at least twice, either afloat or ashore. In both the Western Pacific and the Mediterranean, Marines are embarked aboard combat-loaded amphibious ships, *on station*, ready for action in contingencies that may never happen, or are just about to. In a rapidly changing battlefield, success depends more than ever, on competence, maturity and initiative, essential traits to prevail despite unforeseen circumstances.

To cope with these new demands, we have beefed up the warrior skills taught in boot camp, with more weapons training, more field training and upgrades to our lessons in marksmanship, physical fitness, water survival and close combat. Before learning a specialized skill, whether avionics technician, artilleryman or computer specialist, every Marine gets an extra dose of combat training, emphasizing squad-level tactics, crew-served weapons and offensive combat skills. We have backed up this program with more training for our non-commissioned officers, to make sure they are ready to lead their units, and to teach their people in basic combat skills.

Today's Marine, like others before, is ready to fight "in every clime and place," from the snows of Norway to the heat of the Persian Gulf. He's the best-qualified, best-trained Marine in our history, with the combat skills and the street-smarts to cope with whatever job comes his way.

Women now serve at sea in 7,938 enlisted and 281 officer billets aboard 120 ships, and 7,491 enlisted and 324 officers serve in 110 aviation squadrons. Sea-going billets are found aboard submarine and destroyer tenders, repair ships, a training aircraft carrier, Military Sealift Command ships and Combat Logistic Force ships. In naval aviation these billets are found in maritime patrol, fleet composite, tactical electronic warfare, helicopter combat support and training squadrons. Active management measures such as selective recruiting and pre-service counseling have also improved the balance between men and women in sea-intensive and shore-intensive ratings. Overall, career opportunities for women have dramatically improved, with women filling

responsible and technically challenging jobs.

Recruiting

The Navy attained 100 percent of its FY 89 accession goal, with 95,186 accessions, of which 89,379 were non-prior service. Ninety percent of these new Sailors had high school diplomas, and 11 percent came from the lowest recruitable mental group. These quality indicators declined slightly from the previous year. A strong national economy, declining numbers of youth eligible to enlist and reduced awareness of the Navy among recruitable youth continued to increase the challenge of recruiting. A continued downturn in higher-quality, non-prior service male accessions required more non-prior service female and prior service male accessions to achieve overall recruiting goals. The Navy's Delayed Entry Program pool of recruits waiting to start their naval service, which provides a buffer for leveling the recruiting effort, declined markedly for the second year, another indicator of increased recruiting difficulty. The Marine Corps continued to meet quality and quantity goals, with high school graduates accounting for 94 percent of their 30,911 non-prior service accessions.



The Navy continues to focus on the interrelated factors of recruiting, retention and attrition. High-quality recruits are more likely to complete their first enlistments, and to contribute to the professionalism, satisfaction and morale in the fleet. Together with initiatives to maintain quality of life, such satisfaction also helps retention, which in turn reduces the number of new enlistees needed to sustain combat ready forces.

Competition from the private sector, coupled with young people's perception of today's budgetary climate, may lead the best candidates away from a military career. New initiatives such as increased advertising, the Navy College Fund and the Navy Technical Scholarship Program are expected to assist the Navy's recruiting efforts. Our advertising and personnel initiatives must continue unabated if we are to attract the best and brightest to serve in our naval forces.

Navy Medicine

High quality, readily accessible medical care is a key quality of life factor for our Sailors and Marines. Not all of our problems are solved, but our progress has done much to reassure our people in uniform of the Department of the Navy's commitment to their health and the health of their families. Some new health care delivery methods hold promise for improving care. Under our managed care philosophy, we assess the level of care necessary in a case and then determine who can best perform the required treatment. Recent partnership agreements, under which civilian physicians treat our beneficiaries in Navy facilities under a CHAMPUS contract, have improved our ability to provide specialized treatment to dependents. Additional innovations being tested, such as the Family Practice Demonstration Project, continue to raise our beneficiaries' satisfaction with Navy medicine.

Navy medical active-duty personnel strength is improving, with Medical Corps strength better now than at any time since the post-Vietnam drawdown. Our retention and recruiting initiatives and newly revised special pay schedules are having a positive effect. The national nurse shortage continues to challenge our ability to attain our Nurse Corps end-strength goal. However, the programs contained in the Department of Defense Authorization Act for Fiscal Years 90 and 91, combined with our own recruiting, retention and educational assistance programs, brighten the outlook for the future.

By contracting for key services within Navy facilities,

we are offsetting some of our remaining staff shortages and making better use of our in-house capability. In FY 89 Navy facilities' patient load increased both in terms of admissions (more than 3 percent), and outpatient visits (7 percent). Contractor NAVCARE clinics handled 668,591 primary care outpatient visits in FY 89. At the same time the NAVCARE clinics helped to bring patients back to in-patient facilities. All these initiatives have two goals; increased access to quality care for our beneficiaries and avoidance of unnecessary CHAMPUS costs.

Department of the Navy Programs

As a result of the investments of the past 10 years, the Department of the Navy today enjoys key strengths in terms of the quality of its people, a balanced force structure, high readiness and a firm technology base. Consistent with the views of the Unified Commanders in Chief, the Department of the Navy program reflects a careful balance among funding of warfare areas, the pillars of force structure, readiness, modernization, sustainability, and near- vs. long-term investments.

Fourteen Carrier Battle Groups and three Marine Expeditionary Forces will remain the centerpiece of our naval force structure. These forces will include a balanced mix of modern, highly-capable aircraft, surface combatants, submarines, amphibious forces and mine warfare ships, supported by integrated and inter-operable command and control systems.

In order to ensure that appropriate readiness levels are maintained, we have retained only that force structure which can be manned, equipped, maintained and supported commensurate with requirements. We have considered for inactivation/retirement those aging ships, aircraft, combat systems and other equipments that are approaching the end of service life, provide only marginal capability against the threat or have disproportionately high operating and support costs. Where possible we have made vertical cuts to retire entire classes of weapons or systems to eliminate all associated infrastructure and support costs. The cost of continued operation has been weighed carefully against such considerations as warfighting contribution, feasibility of rapid reactivation, inactivation/reactivation costs and the cost of long-term storage.

Modernizing Our Forces

In keeping with our emphasis on supporting only those programs that support our long-term security



needs, the preferred method for upgrading the combat capability of our forces is through replacement of diverse and aging ships, aircraft and systems with up-to-date units, of fewer types, that will be less costly to operate and maintain. Unit modernization, including remanufacturing, of existing ships, aircraft and systems will normally be undertaken only if essential to correct critical deficiencies in combat capability, self-protection, safety, reliability or environmental protection. In fielding new systems, we have concentrated on those which best leverage the combat capabilities of our overall force.

The Department of the Navy's major combatant ship programs include development of the new *Seawolf* class of nuclear-powered attack submarines, the *Trident* D-5 submarine-launched ballistic missile and the new class of *Aegis*-equipped destroyers. The lead ship of this class, *Arleigh Burke* (DDG 51), was launched in September 1989. Major aviation programs include the new A-12 Advanced Tactical Aircraft with both Navy and Air Force applications; the P-7 ASW patrol aircraft; the

T-45TS trainer; the Navy Advanced Tactical Fighter; and the Advanced Tactical Surveillance system. Continued progress on these key elements of tomorrow's naval force structure is essential, to retain our position of preeminence at sea.

Marine Corps developmental priorities lay in building an over-the-horizon assault capability to fill future U.S. needs for swift, effective expeditionary operations. Specifically, the Marine Corps is working to acquire a helicopter replacement for the aging CH-46; and an advanced amphibious assault vehicle, a high water-speed amphibian that can move assault elements of a Marine Air-Ground Task Force from amphibious shipping located over the horizon to inland objectives.

To reduce operating costs and increase commonality, the Marine Corps is reducing the number of types, models and series of aircraft in its inventory. Requirements will be met with in-production aircraft, incorporating necessary upgrades, such as an improved radar for



the F/A-18, the Helicopter Night Vision System for the CH-53E and the Night Targeting System for the AH-1W.

Research and Development

Our ability to support U.S. national security objectives in the future depends on today's program of research and development. By enhancing the technology base and by ensuring a technically disciplined transition to production, we will increase the reliability, effectiveness and maintainability of systems and components while reducing manning, support and subsequent acquisition costs. The Department of the Navy is placing a greater emphasis on science and technology and test and evaluation, to provide resources that keep pace with technological advances and to identify capabilities that can then be selected for production. Our focus is on technologies with the greatest potential for improving combat capability in each warfare area.

Rather than develop technologies on a piecemeal, item-by-item basis, we are identifying linkages between technologies within and across systems. Developing technologies in clusters lays the foundation for system engineering, which can be carried out in parallel with component research and development. Military effectiveness and affordability goals are kept in sight while pursuing an integrated program of development.

One such technology cluster is the Navy's advanced-propulsion machinery system, consisting of new design ship propulsors and electrical distribution networks, fed by an inter-cooled regenerative gas-turbine engine which

Key Technologies For The Future

- Modern electronic devices, including: sensors for surveillance, target location, precise navigation and weapons guidance; advanced computers for data processing and fusion, greater computing power and communications; and software for sensor processing, data fusion, automation and decision aids.
- Stealth and counterstealth.
- Automation, robotics and advanced guidance and control systems for unmanned underwater, air and ground telerobotic vehicles.
- Advances in weapons propulsion and lethality.
- Ship design, including integrated electric drive and weapons systems and superconducting motors.
- Advanced communication architectures and information processing systems, including software advances.
- Advanced materials including superconductors; ultra-low-loss, fiber-optic cables; thick-section composite materials for structures; and gallium arsenide for advanced electronic circuits.

drives generators for both propulsion and ship service power. The requisite technologies are being developed in parallel to meet the demands of fleet firepower performance and affordability, with a view to incorporating this new system in a future surface combatant and other types of ships.

Coordination across systems and platforms is critical to success in each warfare area as well. The Navy's top warfare priority is anti-submarine warfare, which is supported by several programs, including development of the new *Seawolf*-class attack submarine, the new P-7 anti-submarine patrol aircraft, shipboard sonar upgrades and a concentrated program of research. Advances in airframe materials and electronics will provide opportunities in stealth, performance and cost reduction of missiles and aircraft. We are striving to bring new ideas for ship hull forms, propulsion and integrated weapons systems out of the labs and into the fleet, and to manage that process in a cost-effective manner through operational prototypes.

Advances in missiles and unmanned vehicles, including their guidance, performance, stealth and cost

reduction will foster the development of longer range and more effective fleet-related airborne surveillance and targeting systems. Missile systems will extend the attack capabilities of platforms that are likely to remain longer with our active fleet, highlighting the importance of planned product improvement for both forces and systems. Intelligent machines may reduce manpower and improve combat damage control and shore- and ship-based fleet support.

Navy Advanced Technology Demonstration Projects

All-optical Towed Array
Unified Network Technology
Airborne Transient Processor
Fiber Optic MK 48 ADCAP Torpedo
Surveillance Infrared Search and Track
Magnetic- and Acoustic-Detection of Mines
Quiet Weapons Launch
Adaptive Monopulse Countermeasures
Advanced ESM for Ship Defense
Intelligent Welding System
Synthetic Red Blood Cells
Air Weapon Neural Computer
Undersea Weapons Guidance and Control
Advanced Techniques for Combat Wound
Management

To streamline the development path of technologies into systems, we are paying special attention to the early phases of advanced development. For example, the Advanced Technology Demonstration Program is designed to uncover potential problems *prior* to large investments. It is the Navy's surest means of transitioning high-payoff technologies into weapon systems.

The requirement to maintain a well-trained Navy and Marine Corps in the face of declining resources and the increasing sophistication of our combat systems poses a tremendous challenge. We are working to develop targets, embedded trainers and training ranges which test the outer limits of our weapon systems and their operators, and provide realistic feedback on their performance at a reasonable cost. As we increase the sophistication and capability of our operational training, we will examine the feasibility of further streamlining the shore training establishment to produce compensatory savings.

Sealift

Sealift is essential to the capability of the United States to project military power abroad in time of crisis or war. In any scenario involving large-scale deployments of forces, more than 95 percent of the equipment and resupply material must move by sea.

Although we presently have 167 sealift ships under government ownership and control, the bulk of our



sealift forces must come from the private sector—the merchant marine. We are most concerned, therefore, that the United States continues to have a healthy commercial merchant marine. We have taken steps to ensure that special purpose sealift platforms and equipment are in the government inventory, but we continue to believe that sealift requirements are most efficiently and effectively achieved through close cooperation between the military and the merchant marine.

Over the past 10 years, the Department of the Navy has funded a number of programs to compensate for military sealift capability lost as the privately-owned, United States-flag merchant marine declined. It is clearly beyond our means, however, to make up for the continued loss of commercial capability projected for the 1990s. At the request of the Department of Defense, the National Security Council assessed the situation, and in October 1989 the President signed a National Security Directive on Sealift establishing a new sealift policy.

Under the new sealift policy, we will continue to rely on the private-sector merchant fleets of both U.S. and allied nations to provide military sealift. To that end, the policy calls for formulation of programs necessary to ensure that adequate sealift assets are available to our military forces. Together, the Department of Defense and the Department of Transportation are assembling an agenda of programs and actions to ensure the adequacy of our sealift forces in the years ahead.

Department of the Navy Infrastructure Ashore

Our priorities in people, readiness and force balance are reflected in our program of infrastructure. Within budget constraints, we have supported essential upgrades in government-provided family housing, child care and quality of life for our Sailors and Marines.

The FY 91 program supports the base realignment and closure actions recommended last year by the Base Realignment and Closure Commission, and initiates new actions to close the following activities:

Detroit Naval Air Facility, Michigan
South Weymouth Naval Air Station, Massachusetts
Nea Makri Naval Communications Station, Greece
San Miguel Naval Communications Station, Republic of the Philippines

Partial drawdown of forces at Bermuda Naval Air Station

The size and extent of the Department of the Navy's



infrastructure, the labs, shipyards, testing and maintenance facilities, air stations and home ports that support the fleet, is driven by the requirements of the fleet and the Fleet Marine Forces. Should further reductions be necessary in the Department of the Navy's force structure, there must occur commensurate decreases in overhead costs, including the consolidation or closure of some supporting facilities ashore.

In each case, the Department of the Navy will initiate the necessary supporting actions required by law, such as environmental impact statements and for the evaluations covering fiscal, local economic, budgetary, environmental, strategic and operational factors. We intend to take every possible step to alleviate the economic hardship and personnel turbulence of any necessary base closures.

Environmental Action

Secretary of Defense, Dick Cheney recently expressed his desire for the Department of Defense to be the federal leader in environmental compliance and protection. The Department of the Navy's establishment of a new Assistant Secretary of the Navy for Installations and Environment reflects its commitment to environmental protection, and its goal to be the leader in the Department of Defense.

Navy environmental protection policy has been in place since the early 1970s, and has been strengthened

by increasing integration of environmental considerations into budget and operational planning. To date, over \$2 billion has been expended to comply with changing and even increasing legal requirements. Annual program budgets now exceed \$350M for FY 90. These efforts have had concrete results. The fleet today is equipped to transfer shipboard sewage pier-side while in port. Shipboard discharge of oil at sea is becoming a rarity as separators are installed, and other overboard discharges are under rigid controls. Plastics discharges at sea have been reduced 70 percent over the past year.

Ashore, excellent progress has been made in air pollution abatement, the treatment of industrial waste and the reduction of hazardous waste. For past hazardous waste disposal sites a Navywide program is in place, funded under the Defense Environmental Restoration Account which has identified over 2,000 sites at more than 200 installations. Investigations which will lead to remedial actions or cleanups are currently in progress at these sites.

Future, more stringent regulations will require even better shipboard pollution-control systems as emissions at sea are restricted even further. As landfills reach capacity, waste reduction and recycling will expand in its importance. New restrictions, such as to chlorofluorocarbon use, must be anticipated through new equipment design. Our stewardship of the seas and the land we hold in public trust, is the surest way to maintain access to the air, land and water we need to accomplish our missions.

Managing the Department of the Navy

In-house and contracted Department of the Navy activities include laboratories, testing facilities, manufacturing, inventory management, repair and most important, worldwide military forces operating in support of national security interests. An expert group of Navy and Marine Corps managers execute over 3 million contract actions each year, with a value of more than \$55 billion. This makes the Department of the Navy one of the largest research, engineering and production enterprises in the United States.

Many difficult acquisition decisions lie ahead, and we must be willing to revisit prior-year decisions if underlying factors such as budgets and procurement quantities change. While sound business practices must govern our decisions, each case must be evaluated on its own merit. There are many factors which must be weighed, including efficient production rates, the advantages of multi-

year procurement, the benefits of competition and the critical need to maintain the viability of a core industrial base.

Defense Management Review

The Secretary of Defense has approved the Department of the Navy's plans for initial implementation of the Defense Management Report. These plans prescribe a combination of initiatives which will consolidate and clarify oversight authority, enhance decision authority and accountability of program managers and their direct



Department of the Navy Management Initiatives

- Improved efficiency of operations at Navy Industrial Fund activities, including shipyards, aviation depots and research and engineering laboratories.

- Increased competition in areas not historically subject to competition, including breakout and competition of avionics on new procurement aircraft which had historically been procured as sole source by the prime contractors, and competition between public and private concerns for the repair of ship and aircraft components.

- Large lot procurement of naval ships to permit savings in the purchase of contractor- and government-furnished material, and improved coordination of the shipbuilders' production workforce.

- Ten separate Computer-aided Logistic Support (CALS) initiatives, to improve and reduce the cost of development, maintenance and dissemination of logistic and design data. For example, print-on-demand output of complete bid packages, accurately incorporating required technical information at inventory control points, supply centers, and regional contracting centers will reduce procurement lead-time and increase competition.

supervisors, reduce cost and otherwise improve the department's acquisition system.

The New Department of the Navy Acquisition Organization

The Department of the Navy will consolidate and streamline top-level oversight of the acquisition process by establishing a new Assistant Secretary of Research, Development and Acquisition [ASN(RD&A)]. The ASN(RD&A) will be responsible for all aspects of research, development, acquisition and information resources management, consolidating in one office many responsibilities previously divided among the Assistant Secretaries for Shipbuilding and Logistics; Research, Engineering and Systems; and Financial Management. The ASN(RD&A) will be designated the Navy Acquisition Executive, Senior Procurement Executive, and In-

formation Resource Management Official. The Assistant Secretary of the Navy for Installations and Environment [ASN(I&E)], also a new position, will have policy and oversight responsibility for Navy and Marine Corps installations, environmental affairs, safety and shore resources management, strengthening top-level focus on these critical areas.

The Department of the Navy will also substantially reorganize its acquisition management structure below the Secretariat. Seven Program Executive Officers (PEOs) will be established separately from existing Navy and Marine Corps weapons acquisition commands as key middle managers for major acquisition programs. Each will report solely and directly to the ASN(RD&A) on all matters concerning cost, schedule and performance regarding assigned programs. Moreover, three existing Program Managers will also report *directly* to the ASN(RD&A), rather than through a Systems Command. The plan provides for transfer of a total of 78 major and associated programs to these PEOs and Direct Reporting Program Managers, programs which were valued at more than \$19 billion in the President's FY 90 budget.

Existing Navy and Marine Corps commands with weapons systems acquisition missions will retain management responsibility for all programs not assigned to PEOs and Direct Reporting Program Managers, and will furnish matrix engineering, contracting, legal and other support to PEOs and Direct Reporting Program Managers. Navy commands will also retain logistics support responsibilities for all programs. Life cycle management of Marine Corps systems will continue to be performed by the Commander of Marine Corps Logistics Base, Albany, Ga.

In reorganizing the Secretariat and the acquisition management structure, the role support staff, both at the Secretariat level and in subordinate commands, will be refocused to ensure that decision authority and accountability is vested in line managers and is exercised at the lowest appropriate level. This approach, together with opportunities flowing from consolidation of previously divided responsibilities, will reduce the Secretariat staff engaged in review and oversight of acquisition matters by more than 20 percent. Reductions associated with streamlining the decision process in existing weapon system acquisition commands will be identified as the decision process is reviewed and changed.

The Navy will also make substantial changes in the Material Professional program through which its sur-

face, aviation and submarine officers are selected for key senior acquisition assignments. Such officers will be selected much earlier in their careers, and will be managed intensively through graduate education, acquisition assignments ashore and acquisition-related operational tours to ensure ample experience and expertise prior to assignment to key acquisition positions. The Marine Corps will make similar enhancements in its Acquisition Management Officer program. The Civilian Material Professional program will also be substantially strengthened to develop civilian acquisition professionals for key assignments, including as major Program Managers and PEOs.

In addition, the Navy has undertaken to establish a comprehensive education program, stemming from the Packard Commission Report, directed at program management, financial and technical personnel. The subject matter includes the technical disciplines and pro-

cesses involved in design, production, logistics, management and facilities, utilizing a series of technical reference guides developed specially for the program.

Finally, the Department of the Navy has moved aggressively to identify cost-saving initiatives flowing from implementation of the Defense Management Report. Many of these initiatives are coordinated DoD-wide undertakings, including reductions to supply system's operating costs, better accounting and control of government furnished material provided to prime contractors, civilianization of support positions not required to be filled by military personnel and standardization of ADP systems.

Competition

Competition remains the most effective strategy for program management. With strong leadership and sup-



port of top management, acquisition professionals throughout the Department of the Navy have incorporated competitive acquisition as a fundamental tool in their program development.

The FY 89 final competition statistics reflect the results of this commitment. The percentage of procurement dollars competed increased in FY 89 for the eighth consecutive year, to an all-time high of 60.6 percent. The percentage of contract actions awarded competitively reached a total of 89.6 percent. In terms of dollars, we have increased from \$9.4 billion in FY 82 to \$26.9 billion in FY 89, a \$17.5 billion increase. As a percentage of procurement dollars, our FY 90 goal is a challenging 61 percent.

Over the past five years, the investment made in implementing dual sourcing strategies has resulted in significant cost savings. For example, introducing competition in 1986 in the *Standard* missile Guidance, Control and Autopilot program yielded a price reduction of 35 percent and a projected savings of \$360M over the next five years. The \$110M start-up cost will be recovered more than threefold during that period.

Our experience shows clearly that a competitive marketplace delivers high-quality products at fair prices. Competition eliminates the need for time-consuming and costly audits and evaluations. More important, the industry incentive to improve manufacturing capabilities results in increased productivity and quality.

We look to the future with a high degree of confidence that the application of our acquisition strategies will continue to produce meaningful savings. Competition can be employed to enhance innovation, quality, supplier responsiveness and price consciousness. The demands of a declining budget will require careful

analysis of the market forces at work in each procurement action. We must examine how these forces can best be applied to benefit both industry and government. We are sensitive to the impact of competition on our industrial base and on industry's investment in research and development. Our goal is a sound business environment supporting sound defense acquisition programs.

Quality Focused Management

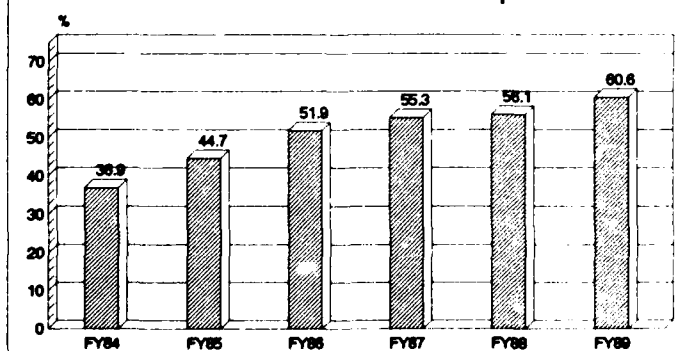
Quality Focused Management is the Department of the Navy's strategy for improving quality and reducing costs and acquisition time. The Under-Secretary of the Navy is the focal point for this over-arching effort, encompassing initiatives in acquisition streamlining, value engineering, non-developmental items, productivity improvement, specifications and standards and Computer-aided Acquisition and Logistics Support (CALs). The primary tools of Quality Focused Management are continuous process improvement, quantitative methods, customer focus and total employee involvement.

Focusing on quality saves money. In FY 89, these initiatives yielded savings and cost avoidance of \$2.21 billion. Examples of acquisition streamlining benefits include the Navy's Advanced Tactical Fighter engine program which avoided costs of \$1.22 billion and the ES-3A avionics program which avoided costs of more than \$553M. Thirteen months were cut from the procurement lead time for the Engineering Drawing Management Information and Control System. Value engineering for additional capability and quality saved more than \$278M in FY 89, with follow-on savings potential through FY 90 of \$140M.

The Navy also has the lead in the Department of Defense Third Party Certification Program. This is a project to reduce redundant audits of contractors by providing a reliable, objective manufacturing assessment by a nationally recognized certifying body. Industry has identified a potential cost avoidance of \$586M for microcircuits alone.

As a part of the Navy's acquisition strategy and integral to the concept of Quality Focused Management, the Navy will continue to place emphasis on the Manufacturing Technology Program (MANTECH) and strive to take more advantage of the Industrial Modernization Incentives Program (IMIP). These are cooperative programs with industry aimed at improving the productivity and responsiveness of the industrial base while reducing the cost of weapon systems. The MANTECH

Percentage of Navy
Procurement Dollars Competed



program has saved \$1.2 billion to date and IMIP projects have saved close to \$1 billion.

By using off-the-shelf alternatives to government specifications, we can avoid excess design costs and take advantage of commercial standards. In FY 89, such nondevelopmental items were used in many programs, including the P-3C Infrared Detection System Recorder and the *Tomahawk Block III* missile.

Computer-aided Acquisition and Logistics Support, or CALS, is a technique of using computer technology, rather than paper, to support design, manufacturing and administrative work loads. We are leading a Department of Defense effort to use CALS to cut costs and add flexibility to several programs, including the new A-12 Advanced Tactical Aircraft, the Navy Advanced Tactical Fighter, the MK 50 torpedo, the Stratified Charge Rotary Engine and the new underwater acoustic Fixed Distribution System.

Training our managers, engineers, technicians and contracting personnel in ways to benefit from these initiatives is key to further improvement in the acquisition process. The Department of the Navy has trained more than 8,500 personnel in these initiatives to date. Fiscal Year 1989 training included more than 950 people schooled in acquisition streamlining, and more than 960 in the concepts of value engineering. Our experience shows that this training is paying off in terms of efficiency and combat effectiveness. Further, we are educating, in a structured manner, select members of the Navy and Marine Corps commands and senior Department of the Navy executives in the concepts of Quality Focused Management. To date we have trained more than 33,000 people in this area. We are developing follow-on training in the tools of Quality Focused Management and how they work.

Conclusion

Today's volunteer professional Sailors and Marines are proud to serve in a revitalized, globally-deployed fleet and Fleet Marine Force, extending the horizons of peace and freedom. All of our men and women, uniformed and civilian alike, are honored to have contributed to the U.S. strength and resolve that has fostered the peaceful and dramatic events of 1989.

At the same time, we know from experience that uncertainties and dangers remain. The United States is an island nation, dependent upon the seas for our link to our allies, friends and trading partners. Our national



security will continue to require a strong, reliable strategic deterrent, sea control and the ability to project power across the world's oceans. As we decide how to structure our defense for the future, we should consider the flexibility and deterrent value of each purchase, favoring those which will have an enduring capacity to respond to the widest variety of likely contingencies.

Our first priority is to retain the professional quality of our people. Their skill and willingness to make personal sacrifices are keys to the success of our investments in technology, force structure and readiness. They look to us for a fair quality of life and to provide them with the training and equipment to defend our nation.

The FY 91 budget will meet our responsibilities to support a proven strategy of deterrence, forward defense and prompt worldwide crisis response as we enter an era of rapid, and often unpredictable changes in world affairs. The budget reflects a plan that is balanced and affordable. It is worthy of your support.



Admiral Carlisle A. H. Trost
United States Navy
Chief Of Naval Operations

Carlisle Albert Herman Trost became the U.S. Navy's 23rd Chief of Naval Operations on June 30, 1986.

The son of the late Elmer H. and Luella (Hoffman) Trost, he was born April 24, 1930, and is a native of Columbia, Il. He attended Washington University, St. Louis, Mo. prior to entering the U.S. Naval Academy in 1949. On June 5, 1953, he was commissioned an ensign, graduating first in his class from the Naval Academy.

Following graduation, Admiral Trost first reported to the destroyer USS *Robert A. Owens* (DD 827) and, in December 1954, detached to attend the Submarine School, New London, Conn. In June 1955, he reported to the submarine USS *Sirago* (SS 485) where he qualified as a submariner in July 1956. From January to June 1957, he attended the Advanced Nuclear Power course at the Submarine Base, New London, Conn., followed by further training at the Naval Nuclear Power Training Unit, Idaho Falls, Idaho until September 1957.

In November 1957, Admiral Trost reported to the nuclear-powered attack submarine USS *Swordfish* (SSN 579) and in December 1959 qualified to command submarines. From January until June 1960 he studied German at the Army Language School, Monterey, Calif., and was then assigned temporary duty in the Bureau of Naval Personnel, Navy Department, Washington, D.C. In September 1960, he reported to the University of Freiburg, Federal Republic of Germany as an Olmsted Scholar, serving until January 1962 when he reported as executive officer of the nuclear-powered attack submarine USS *Scorpion* (SSN 589).

From May to July 1963, Admiral Trost attended the Polaris Command course at the Fleet Anti-Air Training Center, Dam Neck, Va. He then reported as executive officer of the Blue Crew of the nuclear-powered ballistic missile submarine USS *Von Steuben* (SSBN 632). In March 1965, he reported as Military Assistant to the Deputy Secretary of Defense, Washington, D.C.

In January 1968, Admiral Trost assumed command of the Blue Crew of the nuclear-powered ballistic missile submarine USS *Sam Rayburn* (SSBN 635). In September 1969, he was assigned as Assistant Chief of Staff for



Personnel and Administration on the staff of Commander Submarine Force, U.S. Atlantic Fleet. He reported in August 1970 as Executive Assistant and Naval Aide to the Under Secretary of the Navy, and later Secretary of the Navy, serving until June 1973. In March 1973, his selection to flag rank was approved by the President. In June 1973, he assumed command of Submarine Flotilla One in San Diego, Calif., with additional duties as Commander Submarine Force Pacific Representative, West Coast. (Submarine Flotilla One became Submarine Group Five in July 1973.)

In December 1974, Admiral Trost reported to the Bureau of Naval Personnel as the Assistant Chief for Officer Development and Distribution. In January 1976, he was assigned to the Office of the Chief of Naval Operations as Director, Systems Analysis Division. On Aug. 22, 1978, he was promoted to vice admiral and reported as Deputy Commander in Chief, U.S. Pacific Fleet, Pearl Harbor, Hawaii.

On Feb. 14, 1980, Admiral Trost assumed command of the U.S. Seventh Fleet where he was awarded the Government of Japan's Order of the Rising Sun (2nd Class) and the Republic of Korea's Order of National Merit.

On Sept. 15, 1981, Admiral Trost was assigned as Director, Navy Program Planning on the staff of the Chief of Naval Operations. On Oct. 4, 1985, he was promoted to the rank of admiral and became Commander in Chief, U.S. Atlantic Fleet and Deputy Commander in Chief, U.S. Atlantic Command.

Admiral Trost's personal awards include the Distinguished Service Medal (2); the Legion of Merit (3); the Navy Achievement Medal; the Navy Expeditionary Medal; the Navy Occupation Service Medal (European Clasp); the National Defense Service Medal with Bronze Star; the Antarctica Service Medal; the Humanitarian Service Medal; the Sea Service Deployment Ribbon; and a number of awards from foreign countries.

He is married to the former Pauline Haley of Cottage City, Maryland. Admiral and Mrs. Trost have four children: Carl Michael, Laura Lee, Steven Glenn and Kathleen Susan.

Posture Statement by the Chief of Naval Operations

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A Report by Admiral C.A.H. Trost Chief of Naval Operations on the Posture and Fiscal Year 1991 Budget of the U.S. Navy

The Strategic Picture—Change and Continuity

The world is experiencing breathtaking changes. Power relationships that seemed firm yesterday are changed today. We face a new strategic era and a new strategic environment. To a great extent, geopolitical prospects in Europe are ones that we have long sought—democratization of Eastern Europe and a reduced Soviet presence on NATO's doorstep.

Perhaps we are at the end of the Cold War, however, this does not mean the end of political, ideological, diplomatic, economic, technological or even military rivalry among nations. It does not mean the end of competitiveness. It does not mean the end of the struggle for power and influence. It may well mean increased instability, unpredictability and violence.

While it is true that the Soviet Union remains a formidable military power, it is also true that it is preoccupied with internal reform and appears genuinely committed to a peaceful and friendly relationship with the United States. As the Soviet Union struggles to improve its faltering economy and quality of life for its citizens, the willingness and desire of its leaders to engage in aggressive destabilizing foreign affairs may wane.

It is important to remember that the Cold War has been waged on ideological and economic grounds, underwritten by military power. There is no question that, on the basis of political and economic philosophies, democracy and the free market system have triumphed.

The military facet of this competition has not disappeared, however. Besides their own substantial military capabilities, it is clear that the Soviets remain interested in playing a major role in the Third World, but their ability to participate in any meaningful way is limited to their ability to provide one kind of dependable aid—weapons and military equipment. Whatever course Chairman Gorbachev's reforms take, even should they result in a truly democratic and pluralistic society, the Soviet Union, because of her geo-strategic dominance of

the Eurasian land mass and latent military power, will remain a power with which we must reckon.

This point was especially brought home to me during my visit to the Soviet Union in October 1989. One cannot visit that country and fail to come away with a high regard for the resilience of its people in the face of enormous difficulties. What the visitor also develops is a healthy respect for the immensity of the Soviet Union and the sheer will of the Soviet Union to retain its position as a global superpower.

It is worthwhile to note that the geo-strategic differences between the Soviet Union and United States have led to strategic disingenuousness on the part of the Soviets. They claim our forward naval deployments are offensive and fail to account for their new defensive doctrine. This public argument neatly fails to recognize that many of our most vital interests are across oceans which surround Eurasia and the Soviet Union. Our European allies are overseas, our key trading partners in Asia are overseas and major sources of oil in Alaska and the Middle East are overseas. Our important Asian allies are overseas. We cannot sacrifice either the security of interests by friends who share the Eurasian landmass with the Soviets, in order to make the Soviets feel "more secure," particularly since it is clear that the West does not possess the military capability to pose a credible conventional threat to the Soviet homeland.



This is geographic and strategic reality. Maritime forces as well as overseas bases that support land-based air forces (both Navy and Air Force) are required to defend interests. These bases, some of which we have maintained since the 19th century, are on the periphery of the Soviet Union because that is where our friends and interests reside—not because we intend to attack the Soviet Union. Were we to withdraw from this posture, we would destabilize much of the world, leaving friends and allies to fend for themselves.

The Soviet Navy—The Capability We Cannot Ignore

The Soviet navy is modernizing and improving its capabilities. They continue with a robust aircraft carrier construction program. The *Tbilisi* is conducting sea trials and has conducted flight operations with three different models of front-line Soviet aircraft. Construction is ongoing on a second *Tbilisi*-class carrier, *Riga*, as well as the lead ship of a larger follow-on carrier, *Ulyanovsk*. Both of these ships are scheduled for commissioning this decade. Their 1989 submarine construction rate matched their 1988 rate—nine ships—double the United States' production. I do not want to dwell simply on numbers, however. To me, the most interesting and potentially troublesome facet of current Soviet naval developments is that they have adopted our philosophy and are willing to sacrifice quantity in order to emphasize individual unit capability. My greatest concern is in the qualitative improvements being made. I have been aboard some of their newest classes of warships and can assure you that the Soviets are clearly building a better navy.

Their competitive strategy is clear. It is to improve the quality of their fleet, incorporating new systems while negotiating for reductions in U.S. naval capability. They are maintaining an extensive and impressive research and development program, while living within fiscal constraints by cutting operating costs, scrapping obsolete units and, where necessary, slowing introduction of new systems.

Low-intensity Conflict—The Most Likely Threat

While we intend to keep a weather eye on Soviet naval developments, it is clear that the most probable threat will continue to be in the developing world. A few years ago the Navy coined the term "violent peace" to describe the circumstances in which naval forces have operated since the end of the Korean conflict. Our country,

while officially at peace, was continuously confronted with situations such as terrorism, regional conflict, threats to U.S. citizens—that required military responses. More often than not, these responses involved naval forces. The waning of the Cold War has not changed this reality. Third World problems that have vexed national decision makers since 1945 remain. What has happened, however, is a refocusing of the national defense debate from the receding Soviet threat to the problems associated with keeping stability in an era of violent peace.

There are many regions of the world where the probability for conflict is high. Rising populations, nationalists movements, terrorism, religious zealotry and struggles for control of crucial resources all fuel regional wars and antagonisms.

There was a time when conflict in developing countries conjured a vision of simple, low-tech warfare that would not require sophisticated weapons. That time has passed. Today, around the globe, developing countries are armed with "First World" weapons. Proliferation of chemical weapons, growing access to nuclear weapons capability, and proliferation of cruise and ballistic missiles, submarines and high-performance tactical aircraft mean that virtually any nation or group of terrorists can bring capable and deadly weapons to bear.

Because naval forces have been continuously involved in responding to crises, I am particularly concerned about easily operated, high-technology weapons proliferation throughout the world. This adds a most difficult and dangerous dimension to the missions of peacekeeping and conflict containment. As countries become more independent from traditional power centers and as the world becomes more multipolar, commercial relationships with a wide variety of arms suppliers will ensure a world armed with an assortment of sophisticated and lethal weapons, specifically (excluding the United States and the Soviet Union):

- 102 countries worldwide now have cruise missiles; by the year 2000 at least 15 countries will be producing their own ballistic missiles
- 41 countries worldwide now have naval mining capability.
- 14 countries worldwide now have chemical weapons; 11 suspected developing.
- 3 countries worldwide now have bacteriological

weapons; 15 suspected developing.

- 40 countries worldwide now are arms producers.
- 41 countries worldwide now have diesel-attack submarines; in the Third World alone, there are nearly 250 diesel submarines.

These factors, combined with a history of violent relations and mistrust between such countries as India and Pakistan, Egypt and Libya, Syria and Israel, North and South Korea, Iran and Iraq, Cambodia and Vietnam, make the prospects for continued violence high. The nuclear race on the South Asian subcontinent is particularly worrisome. Regional conflicts will be increasingly deadly because of the availability of weapons of mass destruction and the demonstrated willingness of at least some belligerents to violate long-standing taboos against their use. Space launch vehicles, for example, under development in Iraq, Brazil, India, Pakistan, Taiwan, Israel, Japan and Argentina, can easily be transformed into long-range, land-attack missiles. High-technology weapons proliferation is a serious threat that requires defenses of equal or better sophistication and capability.

The fundamental defense issue for the United States in the foreseeable future is to maintain a military posture that protects our interests and those of our allies from a diversity of regional threats, while also maintaining a credible deterrent posture vis-a-vis the Soviet Union. It is clear that we must have the capability to respond in a flexible and calibrated manner. As a nation we should never be forced to act hesitantly or rashly because of a limitation of means. Where the potential for interruption of necessary resources occurs, or where the safety of American citizens is involved or when regional stability is dependent on an American presence, maritime forces will be needed.

The inherently deployable Navy/Marine Corps team is of unique value to the nation. The mobility, staying power, long reach and ability of naval forces to influence events ashore, because of sea-based air power, cruise missiles and amphibious assault capability, contribute to East-West deterrence while simultaneously being the most diverse and flexible force for presence and regional response.

Responding To Crises—The Value Of Sea-based Forces

It is not a coincidence that naval forces have been the most acceptable form of military presence and response in crisis situations. They convey calculated ambiguity

and calibrated response. At the same time, their presence on the high seas does not irrevocably commit the United States to a given course of action. They are deployable, can remain indefinitely in the region, off shore, over the horizon, unseen but not forgotten, ready to operate at varying orders of magnitude. They complicate the calculations of parties opposing our interests. Naval forces have provided this kind of effective crisis response throughout the nation's history, and most particularly since 1945. We are well-practiced veterans of this type of employment.

During the 1980s, naval forces were called upon to act in our nation's behest no fewer than 50 times. It is illuminating to list some representative occasions from the past few years, as a reminder of how commonplace it has become for naval forces to be the leading edge of national response when our interests are threatened overseas. Some representative examples include:

March 1986: In response to Libyan SA-5 missile attacks on U.S. aircraft, USS *America* (CV 66) and USS *Coral Sea* (CV 43) carrier battle groups' aircraft destroyed two Libyan missile patrol boats.

April 1986: After the bombing of the La Belle discotheque, aircraft from USS *Coral Sea* and USS *America* carrier battle groups, with Air Force FB-111s from the United Kingdom, conducted strike operations against targets in Libya.

January 1987: USS *Kitty Hawk* (CV 63) carrier battle group transiting to the Mediterranean was detained in the North Arabian Sea in response to the Iranian installation of *Silkworm* missiles in the vicinity of the Straits of Hormuz.

July 1987: USS *Constellation* (CV 64) carrier battle group was ordered to the North Arabian Sea to support the escort of re-flagged tankers transiting the Arabian Gulf during the Iran-Iraq War.

September 1987: The frigate USS *Jarrett* (FFG 33) captured an Iranian vessel laying mines in the Arabian Gulf.

October 1987: USS *Ranger* (CV 61) and USS *Missouri* (BB 63) battle group ships, in concert with U.S. Navy units of the Middle East Force, destroyed three Iranian oil drilling platforms.

January 1988: Because of internal political instability and a military coup, Amphibious Ready Group/Marine

Expeditionary Unit was positioned off the coast of Haiti, prepared to evacuate personnel/refugees.

April 1988: USS *Enterprise* (CVN 65) carrier battle group surface combatants and aircraft, in concert with U.S. Navy units of the Middle East Force, destroyed Iranian naval units in retaliation for the mining of USS *Samuel B. Roberts* (FFG 58).

September 1988: To guarantee stability, USS *Nimitz* (CVN 66) and USS *Midway* (CV 41) carrier battle groups were on station off Korea during the Olympic Games.

February 1989: Amphibious Ready Group/Marine Expeditionary Units moved to the Eastern Mediterranean and Lebanon following a missile attack on the U.S. Ambassador's residence.

June 1989: Fast sealift ships transported Army personnel and equipment to the Panama Canal in response to the unstable political situation and assault on opposition party candidates.

August 1989: USS *Coral Sea* and USS *Iowa* (BB 61) battle groups were stationed off Lebanon; USS *America* returned to North Arabian Sea; USS *Ranger* and USS

Forrestal (CV 59) prepared for contingency operations, all in response to the murder of Marine Corps Lt. Col. Higgins and threats to other hostages.

Air Superiority—The Crucial Ingredient

Positioned off shore, often out of sight, the aircraft carrier battle group is capable of providing the right amount of force at the proper time because the carrier brings tactical air power to the scene. It is the embarked air wing, a self-contained package of all required aircraft types, easily tailored to suit the particular situation, that makes the carrier especially valuable to decision makers. It provides them with a credible, well-trained and ready force with which to influence events, a force which can be sustained indefinitely on station.

With 80 to 86 embarked aircraft, the carrier is able to exercise caution and restraint when necessary or mount a major anti-ground or anti-sea strike if called upon. In peacetime, possessing a task-tailored mix of air-to-air fighter, ground-attack, early warning, electronic countermeasures and anti-submarine aircraft, naval tactical air power provides quick response, independence, flexibility, escalation control, and continual, long-range on-station surveillance while in international waters.

The U.S. Navy in 1989

The August 1989 marshaling of naval forces off Lebanon is only the most recent example of the often repeated story that, when a crisis breaks out, the first question is "Where are the carriers and when can they be on the scene?" The operation illustrates the flexibility and depth of capability provided to our national decision-makers by naval forces. Four carrier battle groups and one battleship were on call. USS *Coral Sea* and USS *Iowa* battle groups were both on-station in the Mediterranean and ready for whatever the President deemed was the appropriate and desirable action. Meanwhile, in the Indian Ocean, USS *America* was ordered to return to the North Arabian Sea. Enroute to California, USS *Ranger* was delayed and positioned for a contingency return to the North Arabian Sea; USS *Forrestal* prepared for possible contingency operations during an ongoing exercise in the Caribbean.

This single operation demonstrates the ability of naval warships—carriers, battleships, surface combatants, submarines, amphibious ships—to move on short notice and provide a reaction force capable of responding on a wide scale. Naval forces were fully ready. Aircraft, cruise missiles, 16-inch shells from a battleship, combat-



ready troops and submarine surveillance were all available. As a consequence, our decision-makers had in hand the essential tools for the development of their policies: flexibility of action, immediate availability of resources, diversity of capability, and ambiguity of intent until a decision was made. Importantly, the world and all the interested parties were aware of the marshaling of forces even while the decision process evolved. Naval forces were and are politically and strategically mobile.

In addition to these traditional missions, the Navy will play a key role in the expanding contribution by the Department of Defense in the fight against illegal drugs. Plans developed by CINCLANT and CINCPAC involve the employment of naval forces, both active and Reserve, including carrier battle groups, major amphibious ships and aircraft, operating in international waters. Their mission will be surveillance, identification and, in conjunction with law enforcement agencies and especially the United States Coast Guard, apprehension of drug traffickers.

Finally, the mobility of naval forces contributes to our ability to respond when ecological disasters occur. In the aftermath of the massive oil spill off Valdez, Alaska, the U.S. Navy provided essential logistical assistance during the cleanup effort. Amphibious ships—for command and control and berthing of cleanup crews—were maintained on station for six

months. Most of the oil skimmers, towboats, oil containment booms, landing craft and communications vans were provided by the Navy. Some of these same assets were recently employed to assist in the cleanup of the Huntington Beach, Calif., oil spill.

This same mobility and the self-sufficient nature of naval ships make them valued sources of relief when natural disaster strikes. In September 1989 U.S. Navy ships were promptly on the scene providing electric power, fresh water and volunteer assistance at St. Croix, Virgin Islands; Roosevelt Roads, Puerto Rico; and Charleston, S.C., following Hurricane Hugo. In October 1989 naval forces again provided rescue, vital utilities, medical assistance and volunteer manpower in the aftermath of the Oakland-San Francisco Bay area earthquake.

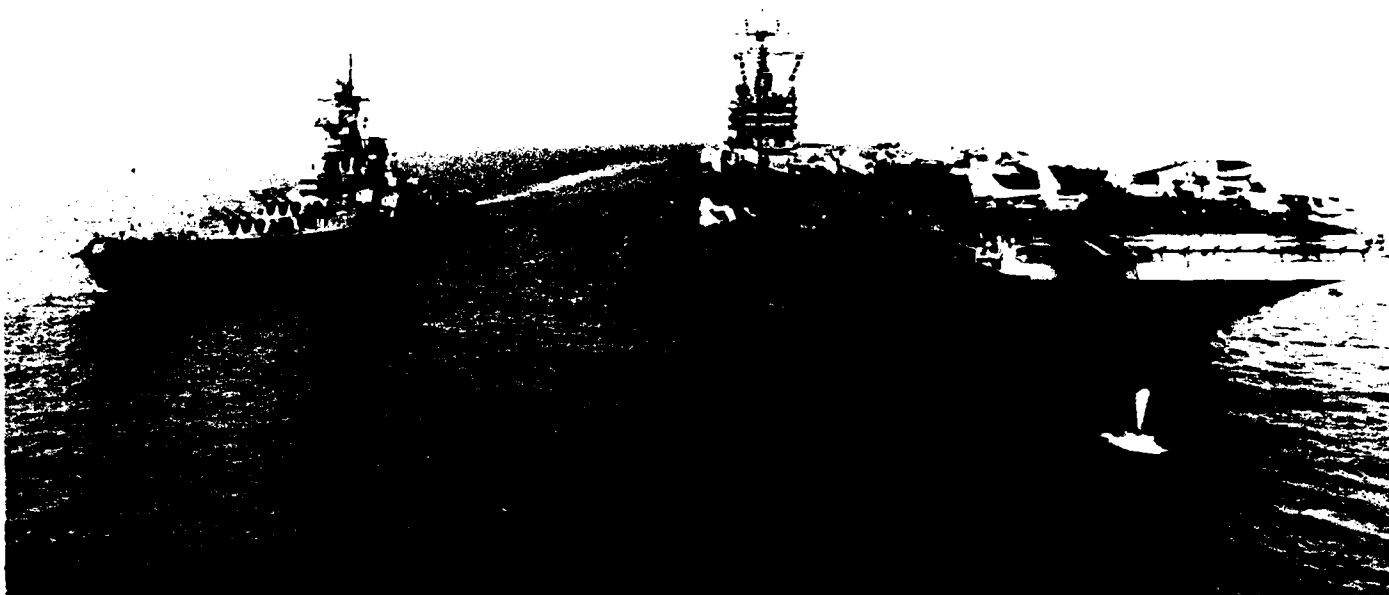
Some Observations on Recent Naval Operations

As I consider the challenges faced by the United States and by naval forces in support of our nation's goals and objectives during these last four years, several lessons and trends are noteworthy.

In the majority of contingencies naval forces were called upon to represent national interests, Western resolve, democratic principles and regional stability in areas far removed from the United States, overseas



Navy units support Alaska oil cleanup.



bases or traditional European locations. Moreover, many of these contingencies were not anticipated. Nonetheless, because of the forward presence of our naval forces in unstable regions, we have been able to provide the President a range of policy options for virtually every contingency. This is an important consideration. It is not possible to anticipate every conceivable contingency because of the volatility throughout the world. The solution is not to create a library of contingency plans for every conceivable situation. Rather, in those regions of greatest importance to the country we should maintain forces with the widest range of military capability so that they can be immediately employed. Our forward-deployed carrier battle groups and amphibious task forces provide that wide range of military capability.

Of equal significance, naval operations throughout the world have resulted in development of unprecedented coalitions of nations with maritime interests in regions such as the Mediterranean, Western Pacific and Southwest Asia. In the Persian Gulf, thanks to United States leadership, several of our NATO allies, Saudi Arabia and Kuwait joined forces to protect maritime interests. Freedom of navigation was successfully defended when challenged by Iran.

The United States will continue to be expected to provide leadership as the principal naval power in the world. A modern, responsive, mobile, flexible and tech-

nologically-advanced maritime coalition is clearly a capability that our friends and allies have found to fit the new geo-strategic realities well. It is a natural and quite logical fallout of the world's increasing interdependence which is based upon the sea.

A final observation is the importance of our sea-based forces to assemble for action without depending upon bases in other nations. This inherent trait often permits the luxury of being insulated from policy vicissitudes on base and overflight rights, providing more latitude for policy development and negotiations. Naval forces help make it possible to weather shifts in political winds as well as respect the sovereign self-determination of other nations' desires without needlessly sacrificing our own vital interests. The relative autonomy of sea-going forces will continue to be an important factor in support of American and allied interests.

What Kind of Navy Do We Need?

To successfully support U.S. policy, naval forces must:

- Be able to fight war effectively, regardless of scale
- Be able to operate jointly with our sister services and allied navies
- Have the striking power to affect events at sea and ashore
- Have local superiority over potential adversaries

—Be sufficiently large in numbers and capability to permit simultaneous coverage of different crisis areas

—Be able to respond and defend against sudden attack and

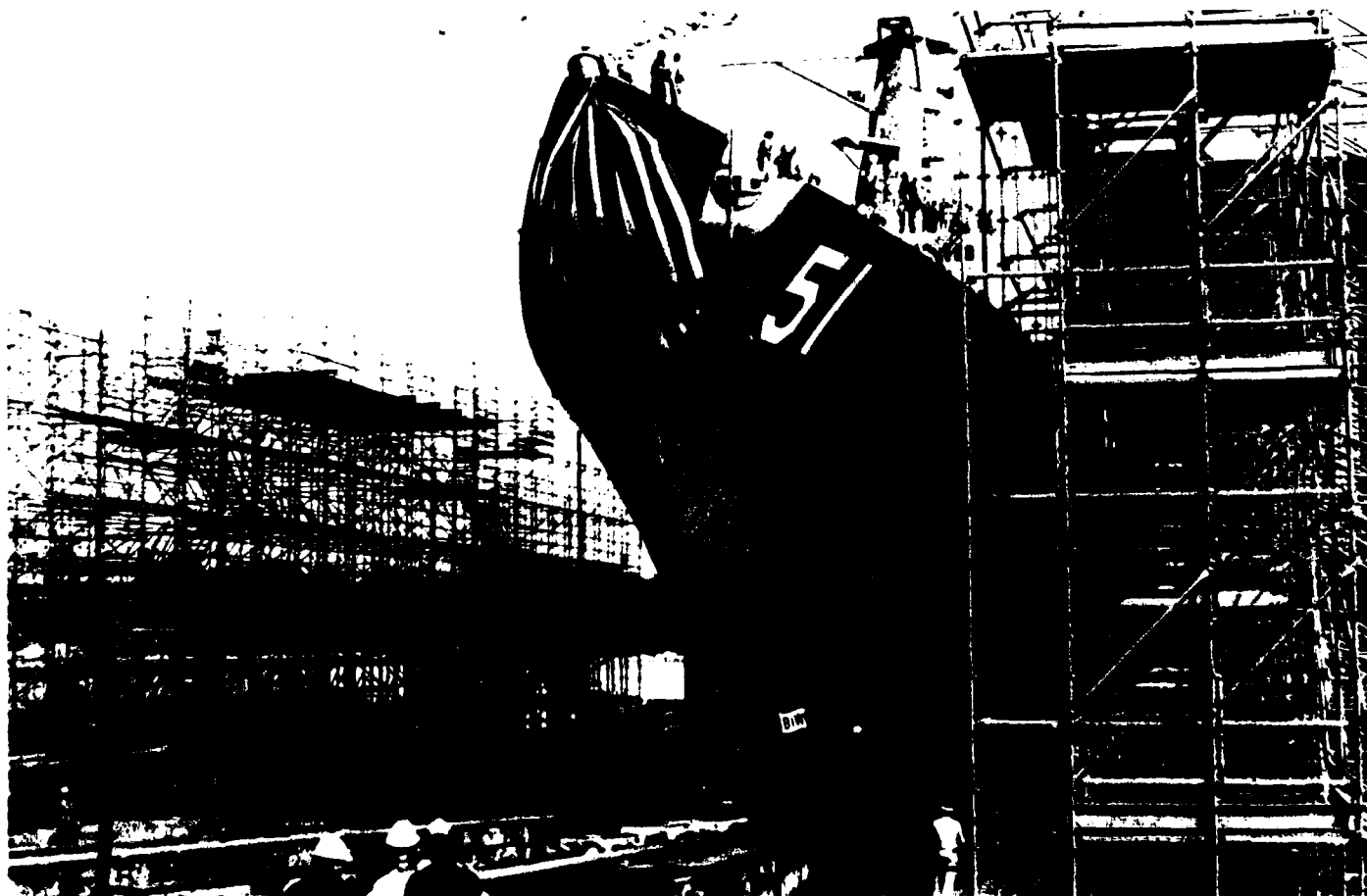
—Be able to employ offensive electronic warfare to disrupt an opponent's effectiveness.

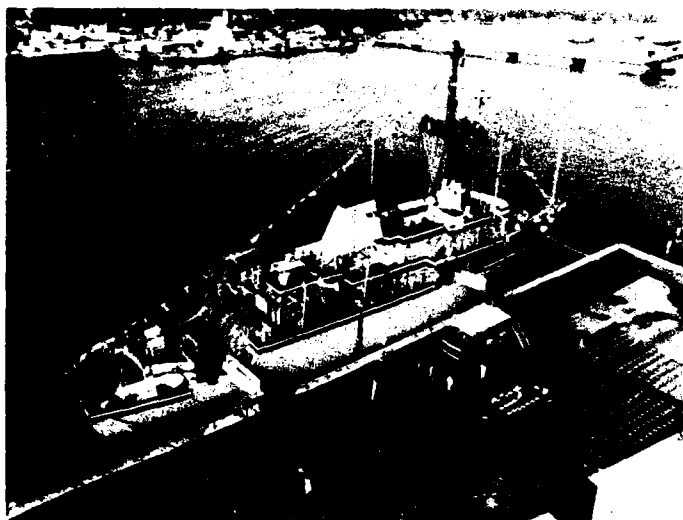
The ships we build today will be in the fleet for the next 30 to 40 years. Forecasting the threat environment for the year 2020 is at best an imprecise art. We can forecast, however, broad trends of that environment and build ships and aircraft such as *Arleigh Burke*-class destroyers, the *Seawolf*-class submarines and A-12 all-weather attack aircraft, that are able to deal with the widest range of plausible future threats. As we look toward that future, it is clear that such a Navy must be balanced and include the following major pieces:

● *The sea-based portion of our nation's strategic deterrent force.* Measured against the criteria of ensuring our nation's deterrent flexibility and maintaining our defense options, our sea-based nuclear deterrent is the best insurance available. Our nation's dependence on this force will grow in a post-START environment.

The *Trident* missile-carrying submarine is reaching maturity at precisely the right time in our nation's history to enable us to safely weather the period of strategic and defense uncertainty that lies ahead. Providing nearly 50 percent of the nation's strategic warheads for only 25 percent of the total strategic cost, the potent and extraordinarily accurate *Trident/D-5* system will, for the foreseeable future, remain the most cost-effective and survivable element of the nation's strategic deterrent capability.

● *A strong and credible capability to defeat any submarine force.* The Soviets' increasingly modern, quiet and very large attack submarine force maintains the real capability to sever the umbilical cords that unite the Atlantic alliance and the industrial base of Asia with the United States. In addition, the forecast proliferation of advanced diesel submarine technology presents a significant and emerging non-Soviet global anti-submarine warfare (ASW) threat which will require our continued commitment to ASW superiority. We must continue to place top priority on development of modern submarines and submarine surveillance systems, as well as improved surface combatants and air ASW forces to detect, hunt





and, if required, sink submarines. *Detecting and killing modern, quiet submarines (nuclear and diesel) is the most difficult task in modern warfare.*

- *Carrier battle forces will remain the most useful component of our balanced Navy. Air superiority is essential to success in modern naval warfare.* The availability of tactical air power and cruise missiles from surface combatants and submarines in the battle group will remain the most important military consideration in any form of conflict or crisis response. Tactical aircraft at sea remain the most decisive naval weapon, whether the mission is protection of our sea lanes or power projection ashore. Our Navy's ability to deploy carrier battle groups routinely with militarily useful numbers of aircraft and land-attack cruise missiles is the single most important factor in its value to national decision makers, because it provides a credible means to affect events ashore. Battleship battle groups, while not a substitute for carrier battle groups, do provide a unique operational capability. Their 16-inch gun firepower is particularly valuable in satisfying many of the warfighting requirements presented by low-intensity conflict scenarios. Similarly, submarines provide covert surveillance, intelligence collection and insertion of special operations troops, offering a unique capability in addition to their more typical anti-surface and anti-submarine warfare missions.

- *An amphibious assault capability* that provides our Marine Corps access to virtually every area in the world in which U.S. interests can be jeopardized is another critical component of a balanced Navy. A modern amphibious capability provides the means to project land-combat power from the sea in virtually all of the likely trouble spots—which historically have been predominant-

ly littoral nations—around the world. Because amphibious forces are sea-based, they are readily available for use and are unencumbered by political constraints imposed by other nations. This broadens their value to the President as a viable contingency response force.

- *A mine countermeasures capability* in the active and Reserve force that blends the quick response of airborne minesweeping forces with the staying power of surface ship minesweepers is essential. The ability to disrupt the flow of commerce with readily available low-tech, inexpensive, impersonal and easily deniable mines was a lesson of the Iran-Iraq War that has not been lost on those who would wish to intimidate, stop or otherwise interfere with the maritime flow of goods and commodities.

- To complete the capabilities that represent a balanced Navy, the *Combat Logistics Force* is essential. It is the ability to resupply our forces at sea that separates a coastal Navy from a truly "blue water" force that can remain at sea without dependence on forward bases. Logistic ships provide the autonomy from fixed bases that will be increasingly important as our overseas base structure continues to erode.

Taken together, these six capabilities (portions of which can be in the Reserve forces) and the naval contribution to national special operations forces—the SEALs—represent elements that constitute a balanced Navy essential to the maintenance of our role, position and obligation throughout the world.

Increasingly, during this decade and entering into the next century, all of these balanced forces will depend upon space-based navigation, communication and surveillance systems to carry out the full range of assigned national tasking. Because of its importance to naval operations, I have designated Space and Electronic Combat as a discrete warfare area and associated naval doctrine is being developed.

Finally, when considering what kind of maritime capability the country needs, we must address strategic sealift capability which complements our Merchant Marine to deliver warfighting equipment and combat-sustaining resupply of our Army, Air Force and Marine Corps units to the region of conflict in adequate time and sufficient amount. As a great power, the United States will always need to be able to project military forces overseas. Changes in Europe will increase the value of sealift. As warning time increases, as CFE negotiations reap anticipated results and as intelligence

resources are enhanced, the ability to reinforce Europe from the continental United States will play a larger role in deterrence.

What Size Navy Do We Need For The 1990s?

In today's environment, the size of the peacetime Navy is dictated by three criteria:

First, the need to maintain a credible naval deterrent so that no matter how *perestroika* finally plays out, the United States does not find itself disadvantaged by a change in regime or philosophy in the Soviet Union. This is particularly true in our ASW force structure, where a sudden shift could find a less benign Soviet Union ready to use their large and capable submarine force. Naval forces cannot be easily created. You cannot quickly design and construct warships; depending on complexity, they take anywhere from five to eight years to build. When the President needs naval forces to respond, they must be at sea, or nearly so. They cannot be resting on the building ways or in the designer's eye.

Second, a Navy that can meet peacetime national requirements for forward overseas presence, preserve regional stability and promptly respond to unanticipated or emergent crises. Based on our country's post-World War II history and the American public's desires to maintain the United States as a world power, it is obvious and certain that the President will continue to depend upon ready aircraft carrier battle groups and Marine Corps amphibious forces, both to support our foreign policy initiatives and to defend the rights and lives of Americans abroad. As the country's premier deployable arm, maritime forces must be broadly capable and available in sufficient numbers to ensure success. National leadership must have in hand, forces that permit them to explore the widest range of options in addressing threats to the peace of today's world.

Third, the peacetime Navy must be sized so that our seagoing Sailors can be afforded a tolerable quality of life. This final criterion is very important because it directly affects our Navy's single most important asset—our extremely bright, dedicated, patriotic and incredibly hard-working Sailors. It means having enough ships and submarines to ensure a reasonable balance between the demands of overseas deployments and operations in home waters.

This point is often not well understood. Firm guidelines for the number of days underway (OpTem-



po), the number of days in homeport during non-deployed periods (PersTempo), the length of time between overseas deployments (turnaround time) and the actual length of overseas deployment (six months) have been established precisely so that we don't drive our Sailors out of the Navy because the burden of constant family separation becomes intolerable. As it stands, on average, seagoing Sailors spend six of every 18 to 20 months forward deployed and another several months operating at sea in home waters conducting training exercises. In global war, when the entire Navy and country would be mobilized, long periods of separation are expected and tolerated. In peacetime, however, many Sailors will simply not continue to endure unreasonable periods away from their families and friends in the United States.

This assertion is buttressed by recent history. Just 10 years ago during the Iranian hostage crisis, national requirements demanded a forward-deployed carrier battle group presence of four to five carriers. Because there were too few deployable carriers and overseas requirements were firm, the only solution was to lengthen deployments, eventually reaching nine and then 10 months. Excessive time away from their families, combined with low pay, caused Sailors to vote with their feet. Valuable, experienced petty officers left the service in droves. Predictably, this hemorrhage of skilled Sailors had a direct and negative impact on readiness.

This unfortunate situation took about four years to turn around.

By 1986 we had rectified the damage brought about by having too few ships and too few Sailors too poorly supported to meet national requirements. Today, we have recruited, trained and retained a force of qualified men and women, replacing those who left a decade ago. We are not complacent, however. We know it could happen again, particularly since we have seen a steady decline in funding so that today we have only a thin margin of sufficiency in terms of ships and resources.

What is different today is that we have sufficient carrier battle groups to satisfy today's overseas deployments and firm overseas deployment guidelines, so we are not forced to compensate for force structure shortfalls by extending our overseas deployments.

In general, the Navy we have in hand today is the force we need to maintain regional stability in areas that are important to the United States, to remain a credible deterrent, to participate effectively in the fight against illegal drugs and respond to national requirements that exist day-in and day-out. The active-deployable Navy should not be permitted to dwindle beyond our planned retirements and replacement objectives.

Today's Navy is of sufficient size and capability. We remain a credible deterrent force and can satisfy peacetime requirements. In order to maintain this capability, we must continue to modernize the fleet incrementally, replacing older carriers, surface combatants, amphibious ships, aircraft, and submarines with the newer forces that will be the mainstay of our capability well into the next century.

The Naval Reserve Force—The Proper Balance

We must continue to provide sufficient and prudent funding for our total force concept. Over recent years, we have increased the size of our Selected Reserve by nearly 100 percent, to nearly 150,000 men and women, serving in front-line ships and aircraft, including ASW frigates and P-3 aircraft. The Naval Reserve force is substantial. Perhaps more than ever in history it will be necessary for us to assess carefully the proper mix of active and Reserve forces to ensure that we have the most economical and effective force needed to meet our mission requirements.

There are some people who believe that we can make significant inroads in reducing our budget by transferr-

ing a large number of personnel, ships and aircraft into the Reserve force. While it is true that some savings are realized because of reduced manning levels and operating expenses, there are added costs to increasing numbers of personnel in the Reserves and associated transportation costs and logistical difficulties in getting those personnel to their units. There is also the cost of constant turnovers, since Reserves can only be used for a very short period of time, rarely covering the time required for an overseas or deployed operation. It is a fact that Naval Reserve force ships are only 10 percent less expensive than fully-active, immediately-deployable, fully-maintained front-line ships. Most importantly, there is a cost to be paid in the Navy's ability to:

—Meet global commitments without stretching remaining active duty forces so that the level of risk is unacceptable and

—Respond to contingency situations without violating established limitations on length of deployments, our Navy OpTempo and PersTempo goals.

Striking the right balance between these costs and their effects upon our forces has been the key factor in developing the quality total force we have today.

Safety

In 1989 there was a great deal of public commentary on the issue of safety. Going to sea is inherently hazardous. Latent danger is present in every aspect, during each minute, of our professional lives at sea. Because of that, safety is a paramount and constant concern for all of us in the sea services. While no accident is inevitable, statistically we know that some will happen. Each accident, injury and loss of life is taken very seriously by everyone in the Navy. Because of that, our emphasis on safety is unrelenting. In this decade we have demonstrated a continual improvement in safety. Are we satisfied? No. We continue to strive for perfection. It is worth pointing out that:

- We have set new records for aviation safety in the last two years. The number of major aviation accidents this year is nearly three times lower than it was in 1980 and 30 times lower than when I was a junior officer.

- Operations- and training-related major accidents have declined in each of the past five years. In FY 84 the Navy had 125 major accidents. The number in FY 89 was 66.

- The aircraft carrier USS *Lexington* (AVT 16), on which a student pilot crashed in 1989, had not had a single fatality in the previous 16 years. This is remark-

able considering that this is the Navy's training carrier and every Navy and Marine Corps pilot makes his first at-sea carrier landing on that ship.

- In September 1989, we completed a four-month exercise in the Pacific in conjunction with many of our allies, known as *PacEx '89*, which was one of the most intense operations in many years. The exercise involved more than 100 ships and hundreds of airplanes and operations were conducted in every type of weather. There were no major accidents.

- Since 1955, when the first nuclear-powered ship went to sea, the United States Navy has been continuously operating nuclear-powered ships without a single major nuclear accident. This is a safety record unparalleled by any other nation and one about which we are neither complacent nor relenting.

Our goal continues to be to make our Navy as safe as

possible. That is done through many avenues, including proper technical training, safe and modern equipment, sufficient manning, realistic operational tempo, constant education and awareness programs and sound leadership practices. Ultimately, however, good safety depends on safety conscious leadership. I can state with great confidence that leadership, at every level, is aimed at making the 1990s the safest decade yet.

Environmental Protection

The goals of national defense and environmental protection are compatible. The Navy is a steward for vast amounts of natural resources. The protection of these natural resources at our installations, along with the protection of our nation's air and water, is an integral part of our daily lives at sea and ashore. Although we support the concept of state and local regulation, we see a need for consistent national standards for our ships which must operate in various state waters. This past year we have continued aggressive efforts to clean up past hazardous waste sites. We initiated a total quality management approach for hazardous material requiring comprehensive evaluation of material acquisition, storage, use, recycling and disposal to minimize hazardous waste. The Navy has been a leader in federal facility environment protection and we must continue to do so as we face the challenges of the next decade. I am committed to integrating the environmental ethic in our organization from top to bottom and ensuring that we dedicate the resources necessary for environmental compliance.

Arms Control

Over the past year, it has been asserted by a number of commentators that it is because of stonewalling on the part of the Navy that the United States has not enthusiastically embraced Soviet calls for naval arms control. It is flattering to be credited with such influence; it is also naive and just plain wrong. The reason naval arms control is not on the agenda is that when national policy makers objectively examine the issue, they find that the variety of naval arms control proposals floated by the Soviets are simply not in our national interest. We have nothing to gain and much to lose. They also find that, except for START, which includes Submarine Launched Ballistic Missiles (SLBMs) in the negotiations, the charters for all of the ongoing negotiations specifically exclude naval measures.

When we talk about naval arms control, it is important to understand that there are, in reality, many dif-





ferent aspects of this overly broad term. The most prominent include:

- The START negotiations, which include naval forces. From the outset our SSBN force has been included in these negotiations to reduce strategic offensive nuclear weapons. I fully support the objectives of START.

- Our nuclear-tipped *Tomahawk* sea-launched cruise missiles (TLAM-N), most commonly referred to as SLCMs, are the subject of considerable debate. These are tactical weapons that have specifically been excluded from the START negotiations. In principle, I have no objection to imposing a limit on the number of nuclear SLCMs. We must, however, be prudent with our management of this important capability. While satisfactory verification is one of my major concerns, an equally important consideration is the role that SLCMs could play in maintaining theater-level deterrence.

- The Soviet Union has persistently advocated measures that would restrict where U.S. naval ships,

operating on the high seas, could go. The basic Soviet approach is to prohibit naval forces from sailing in international waters in certain parts of the globe by creating special keep-out zones. Various known as "nuclear-free zones," "zones of peace," "ASW-free zones," "stand-off zones" and "security or safe zones," these proposals have one thing in common—they seek to put limits in international waters on what the U.S. and western navies may do and where they may do it.

Under the guise of arms control, these constraints are known as "confidence and security building measures" or CSBMs. The concept of CSBMs stems from concerns related to land warfare. On land the worry is that national frontiers, limited air space or terrain features such as mountains, wooded areas, tunnels, etc., prohibit observation of large troop movements. CSBMs are intended to overcome natural or man-made obstacles and make movements of large bodies or troops *more open or transparent*.

The desire for transparency is driven by fear of sur-



prise invasion. Countries with neighbors having large standing armies and a history of conflict, are sensitive to the subterfuge of using exercises as an excuse to amass troops who then, instead of exercising, lunge across the frontier in a surprise invasion. The Soviets, surprised in June 1941 by Hitler, are understandably nervous about this issue, as are other European countries who have been similarly surprised.

A significant problem arises when one takes legitimate security concerns about openness and transparency on land and attempts to apply them at sea. It does not work. Unlike sovereign territory on land, the international waters of the world are the common holdings of all nations. As the term "international waters" implies, the high seas are available for all to use freely. It is the ships that ply the high seas that are sovereign territory, not the seas themselves.

In fact, if the objectives of CSBMs are openness and transparency, then the concept of *freedom of the seas* is the ultimate naval CSBM, because it guarantees the right of a ship or aircraft from any nation to operate freely in close proximity, with due regard to safety, to naval exercises in order to observe and monitor the progress of these exercises. Rather than building con-

fidence, many of the measures proposed by the Soviets, by constraining freedom of the seas, will have the opposite effect.

Today, there already exists several means to ascertain the difference between large-scale naval exercises and a major maritime offensive operation.

- First, in Europe, the Stockholm Agreement of 1986 requires notification for ground, amphibious or airborne exercises with troop/vehicle participation above a certain level, and observation of exercises with a higher level of troop participation. We support and fully participate in this agreement.

- Second, the announcement of military exercises and associated ship movements in our free press gives advanced information on the commencement and cessation of virtually every major naval exercise.

- Third, the scale of a major maritime war operation dwarfs that of any peacetime exercise and would be immediately discernable to any nation with modern surveillance capabilities, particularly the Soviet Union. From the viewpoint of transparency, when one considers that in June 1944 it took over 5,000 ships, five amphibious assault divisions of troops and, on the first day alone, 11,000 aircraft sorties to invade the continent of Europe, it is obvious that no country or alliance has the military capability to invade the Soviet Union from the sea.

- Fourth, a modern space-surveillance capability gives the Soviets the ability to monitor ongoing exercises. For years the Soviets have easily monitored our exercises with their own ships and aircraft, yet they persist in trying to limit our ability to operate or exercise in proximity to our overseas friends, allies or even our state of Alaska.

Throughout the history of the United States we have been willing to fight, and indeed have gone to war, to preserve the principle of freedom of the seas. It would be a travesty if we were to compromise on a fundamental national and democratic principle simply to satisfy a Soviet compulsion for predictability or because we feel compelled to respond to their strategically specious assertion that they feel "threatened" by a United States Navy that is growing smaller.

Priorities

Amid all the political instability and strategic uncer-

tainty we see in the world today and the ever changing political priorities in the United States, the Navy has stood fast with the same priorities throughout the 1980s—a result of constancy of purpose and diversity and adaptability of capability.

As we look toward the future and the transition to the Navy of the 1990s, our commitment is to sail the world's most capable Navy. We will be a smaller Navy, but improved in capability through the retirement of older ships and the construction of new, necessarily more capable ships. The emphasis for the Navy of the future will be continued quality and readiness of our people, proper warfighting balance of our forces and capability to meet tomorrow's threat with the assistance of high-leverage technology. My priorities remain:

First, People: Sailors and Their Families. Today, the nearly 600,000 active-duty and 150,000 Reserve men and women in Navy uniform, and the 300,000 civilians who support them, are very good. They are bright, patriotic and expertly trained. In 1989 we enjoyed the highest retention and reenlistment rates in the past five years. Such success does not come without effort. It cannot be sustained by broken promises, a widening pay compar-

ability gap (currently 10.9 percent) between civilian and military wages or erosion of benefits. Unhappiness with pay has moved up to the number two "dissatisfier" with Navy life since 1988 because of the increasing pay gap. We need to keep faith by maintaining continual and unrelenting focus on adequate pay and bonuses, staying true to established standards for time away from home and time out of homeport, following through with our very substantial efforts at rejuvenating the Navy medical system and keeping our training programs vigorous and attractive.

We have developed a manpower strategy for the 1990s. If the Navy is to become smaller we have an opportunity and obligation to shape the force in order to retain high-quality personnel, increase experience levels, gain better sea/shore rotation for our people and improve training levels while reducing overall manpower costs. This must be accomplished with a strong commitment to taking care of the people we have in the Navy, and who wish to stay, even as total strength decreases.

As the budget process progresses, we are focusing on basic goals during each step of that process, which include but are not limited to:





- Sufficient strength, in correct grades, must be available to man operational forces at levels no less than approved for FY 89.
- Sufficient strength, in correct grades, must be available to accomplish necessary work ashore and provide for improvement in our sea/shore rotation for career enlisted personnel. My goal is to provide our Sailors with a minimum 3:3 rotation.
- The career content of the force should increase in order to take advantage of quality personnel now on board, reduce training costs and increase readiness through efficiency gained from increased experience.
- Key quality-of-life programs assume even greater importance. We must continue to vigorously support those programs which are of concern to our people: adequate care for their children, access to suitable housing, protection of their right to freedom of worship. We have an opportunity to better match these programs to force size if we resist the temptation to reduce these programs by the same percentages as force reductions.

Quality of life and high retention that will result are

essential elements of maintenance of a better trained and experienced force.

● Officer strengths in relation to size of total force should increase as force size declines. We must correct the serious shortages we have endured during the growth years. This is our opportunity to provide more education, better participation in key, joint activities and correct shortages in medical manning. We may, as a result, require DOPMA control grade relief during transition periods. Along this same line, we need to be careful as we develop more joint expertise within our officer corps. Every change has an effect, particularly in the delicate balance between sea/shore rotation and the continuous requirements for technical education in an ever-increasing technological world. While we have been wholehearted in meeting both the spirit and letter of the law, we continue to experience problems meeting Title IV requirements in the nuclear officer community, including aviators who are enroute to command of nuclear aircraft carriers. The stringent training and education requirements of the nuclear propulsion program place significant time demands on an officer's career. We need to maintain a careful balance between technical and joint professional education so that operational proficiency does not suffer. We need to accomplish this while maintaining realistic demands on our officer corps.

An additional comment is appropriate with regard to our support of Navy retirees. As long-standing members of the Navy family, our retirees deserve and will receive the support of the Navy in protecting benefits and entitlements they have earned through their years of dedicated service.

Second, Maintaining an Effective and Balanced Warfighting Capability. Earlier in this statement I described the components that constituted a balanced Navy—strategic forces, ASW forces, carrier battle forces, amphibious forces, mine countermeasures, combat logistics forces and special operations capability (SEALS). In order to maintain maritime superiority by sailing the world's most capable Navy, there must be balance among these forces as well as balance among warfare areas.

Both force structure balance and warfighting capability balance are essential, because that is how we can simultaneously:

- Counter any threat in case of global war and
- Ensure that low-intensity conflict requirements are met.

In the first instance, the global war case, *anti-submarine warfare remains my top warfighting priority*. Admittedly, today the prospect of a major ASW campaign in the North Atlantic is remote. We can not become complacent, however. The ASW forces needed to prevail in such a campaign can not be created overnight. It is essential that we maintain today's qualitative edge in order to compensate for numerical inferiority. Furthermore, increasingly ASW is no longer an area that can be neatly limited simply to East-West competition. I am very concerned about the technical advances being made in diesel- submarine technology and the availability of that technology. Diesel submarines available for purchase today will achieve significant endurance gains through new air-independent technology which is being marketed around the globe.

In the case of low-intensity conflict (LIC), contingency response will continue to be our frequently assigned mission. We recognize that all associated LIC warfighting requirements are not necessarily a subset of global

war. LIC does make special demands. The likely operating circumstances of LIC require that continued priority be afforded to maintenance of a timely and accurate tactical picture and to possession of effective and quick-reaction combat systems, improved target recognition ability and in integrated hard kill/soft kill (decoys and electronic warfare) capability. Denial of opponents' surveillance, communications and targeting systems will be crucial and, with effective electronic warfare capabilities, offer national leadership increased options.

Ensuring The Future—The Capability to Meet Tomorrow's Threat

The United States must remain in the forefront of military applications of emerging technology. The global technical revolution and the remarkable rapidity with which weapons technology proliferates, means that we must ensure that the Navy is properly positioned to take advantage of any relevant technical breakthroughs—such as superconductivity or neural networks. As it has



since World War II, our naval warfighting effectiveness is based on technical superiority. It is the *sine qua non* to future security and capability. In times of funding reductions, when our military and naval forces will become smaller, the technology base can not be neglected. As I said last year, technology is the seed corn of our future.

The marriage of leading edge technology and practical warfighting applications associated with future naval weapons systems—the *Arleigh Burke* destroyer, the *Seawolf*-class attack submarine and the A-12 all-weather attack aircraft—is essential to the superiority of a smaller Navy. These technically advanced systems will be the mainstay of our capability well into the next century. These are linchpin weapons systems, specifically designed to be capable against the full range of possible threats—from the Soviets or Soviet-supplied countries to other increasingly sophisticated and well armed emerging nations. They represent a major generational leap into the future that will assure that the U.S. Navy can maintain its utility to the country in coming decades.

In this decade of uncertainty and transition, surveillance and intelligence will be increasingly valued at all levels of the chain of command. To ensure our continued superiority in command and control, my goal is to be prepared to enter the 21st century so that we are able to conduct prompt and sustained combat operations at sea, with a survivable, combat-ready space and electronic combat battle management system capable of satisfying the needs of maritime forces across the spectrum of conflict.

Conclusion

Since 1950 the focus of national strategy has been the prevention of war in Europe with the Soviet Union. That strategy has been successful. Even in the face of the instability created by the dramatic changes in Eastern Europe, the prospect of a European war between the superpowers no longer seems very credible. As a result, in the 1990s, our primary defense concerns will shift away from a sharply continental focus to more broadly encompass Europe, the Pacific, Middle East, Caribbean Basin and Southwest Asia. An aspect of this is in what way and to what degree the American public wants the United States to continue its global leadership.

The major change that this strategic outlook implies is a reduction in the size of overseas forces and support structure concentrated on the European central front. *The requirement for globally deployed naval forces has*

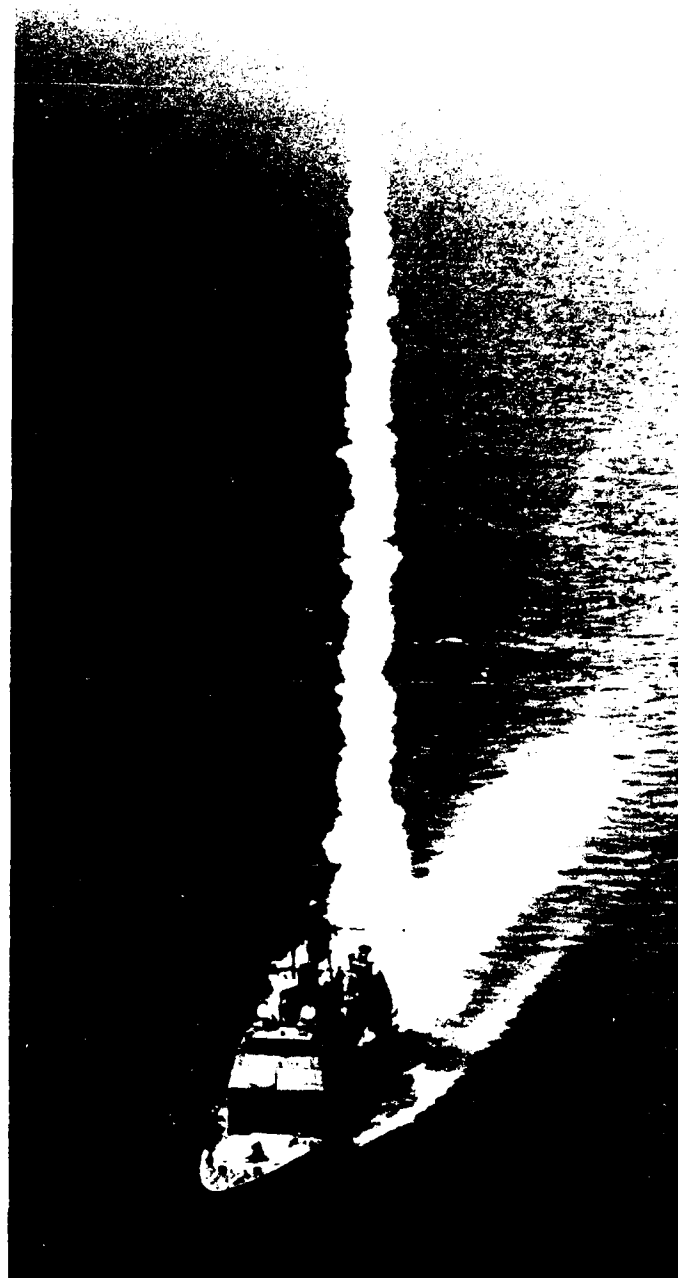


Photo courtesy of Ingalls Shipbuilding

not been reduced. In fact, one could argue that the value these forces provide in flexibility, instant mobility and deployability in response to world-wide crisis has increased in importance.

The fact is that the United States is an island nation with two of our 50 states separated from the mainland by thousands of miles of ocean. The vast majority of the trade that supports our quality of life is with nations across the great expanse of the Atlantic and Pacific

Oceans. We are critically dependent on this trade for economic survival; globally deployed naval forces that ensure freedom of the seas are essential to this equation. The realities of the changing world situation dictate that our limited resources be distributed in a manner that recognizes the changing strategic environment.

The Department of Defense exists to execute our nation's strategy. To do that effectively in an environment of declining resources, we must maintain those forces best able to execute that strategy. The attributes naval forces bring to the table are:

- Maritime control to ensure freedom of the seas,
- Tactical air power based at sea, relatively free from overseas basing requirements,
- Flexibility,
- Mobility,
- Prompt response, and
- Staying power.

The United States Navy has proven its ability to complement and fully support our national goals, whether in peacetime or wartime. In a war, control of the seas does not guarantee victory, but failure to control the seas certainly guarantees defeat. Similarly, in crises or low-intensity conflict, naval forces alone may not guarantee resolution in favor of the United States, but they do guarantee that national decision makers will have a full range of options to influence events and apply U.S. power to satisfactorily resolve crises.

Our democracy, our freedom, and our economic prosperity are worth protecting. The role that sea forces will be called upon to perform in ensuring national security by limiting crisis, controlling escalation or terminating conflict will increase, rather than diminish, in the 1990s and beyond. We need to ensure that the Navy of our future is of sufficient size, quality and capability to carry out this role.



Appendix

Maintaining a Balance

The Fiscal Year 1991 Navy Budget

Introduction

The FY 91 Navy Budget enables the United States to maintain strategic deterrence, contribute to the defense of Europe, sustain a forward presence in the Pacific and ensure freedom of passage in international waterways. This year's budget also reflects the continued decline in defense appropriations since 1985.

Maritime superiority is a critical ingredient in U.S. national security and is possible only through the maintenance of mobile, highly-ready and well-equipped forces. This budget seeks a careful balance among a variety of forces to ensure power projection capabilities that are forward-deployed, flexible and able to fulfill a variety of regional roles.

The U.S. Navy's vital contribution to national security is routinely acknowledged and employed by our national leadership. The U.S. Navy provides the most secure leg of the strategic triad and the stealthy weapon—the nuclear submarine. Naval forces also assure the security of the sea lines of communication to Europe and the wherewithal to conduct maritime campaigns on the flanks of Europe, if necessary. They ensure access to the Pacific Rim, South America and Southwest Asia while at the same time responding to concurrent crises. They have had a critical impact on maintaining regional stability.

Most importantly, naval forces are expert and practiced in the role of crisis response and low-intensity conflict. Responding to crises is a traditional naval mission—one that dates back two centuries to the time of the Barbary pirates.

Aside from the demonstrated expertise and readiness of naval forces, there are a number of other reasons why our national policymakers are predisposed toward using naval forces in times of crisis. For the most part, traditional areas of crises have been particularly accessible from the sea. Naval forces can provide air superiority, assault troops and force projection capability worldwide without the need for base or overflight rights. Once deployed to an area, these forces can re-

main on the scene indefinitely or can disengage promptly and unobtrusively when the situation dictates.

The Navy of the future must be able to support the nation's national security posture in a changing world. In addition to the sea-based portion of our national deterrent force represented by the *Trident* submarine force, we must also have strong and credible anti-submarine warfare (ASW) forces to guarantee protection of the sea lines of communication, deter the Soviets and prevail against the rapidly growing Third World submarine threat. We need surface battle forces, centered on tactical air power at sea and Aegis anti-air capable surface warships all armed with sea-based land attack cruise missiles in order to influence events ashore. The amphibious forces needed to project land combat power from the sea and the logistics force essential to maintaining forces on the scene must be available in sufficient numbers to support U.S. goals. The growing Third World mine threat requires that we maintain a mix of long-endurance mine countermeasure ships and quick reaction minesweeping helos. The Navy SEALs represent the contribution of naval forces to the special operation forces that are increasingly called upon in low-intensity conflicts. Finally, the Navy must be ready to support national strategic sealift to return the Army to Europe in the event of crises in that rapidly changing region.

The Navy-Marine Corps contribution to the nation's security is an *everyday* activity, a 24-hour day job. Today Navy ships and aircraft and our men and women are forward-deployed around the globe, in the Eastern Mediterranean, the Persian Gulf, the Western Pacific, the Caribbean—on-station to do the nation's bidding. The forces and capabilities requested in this year's budget are necessary to sustain this presence and maintain maritime superiority.

Force Structure

Force structure includes the cost of building new ships, procuring aircraft and converting or reactivating

older ships. It is our investment in the future. This budget request represents the results of our efforts to respond to future national requirements, while taking into account resource constraints in a changing world.

The capabilities and characteristics required by the United States Navy to conduct its mission in support of the national military strategy are translated through a process of analysis and judgment into the force structure we have and are recommending. The Navy's warfare tasks must be carried out against opposition whose capabilities are increasingly and disconcertingly close to "cutting-edge" technology. The proliferation of very capable submarines in the Third World means that ASW is no longer a problem that is limited to dealing with the Soviet submarine force. We can no longer exclude ASW considerations when we discuss the balance of ship, submarine and aircraft types that are necessary to prevail during crises and low-intensity conflict.

In fact, anti-submarine warfare continues to remain my primary warfighting concern. This is a direct reflection of the global proliferation of submarine capability and anti-submarine warfare technology that I have just mentioned, and the fact that despite other changes in

the Soviet Union, the Soviet submarine force is being modernized at an undiminished pace. To maintain our warfighting and surveillance edge, we will need a variety of modern, advanced ASW capabilities, in particular our finest ASW unit, the new *Seawolf*-class (SSN 21) attack submarine.

Our shortage of capable anti-air (AAW) combatants is a matter of continued concern. The budget-driven decommissioning of our older guided missile destroyers (earlier than the end of their useful life) has highlighted that shortfall, and places a premium on the need for a steady introduction of their replacement—the DDG 51. The proliferation of sophisticated high-performance aircraft and cruise missiles is the reason that the continued construction of warships with an Aegis capability is my top surface combatant priority. The soon-to be introduced *Arleigh Burke* (DDG 51) and the proven *Aegis*-class (CG 47) warships will form the backbone of the future combatant fleet for the foreseeable future.

Shipbuilding and Conversion, Navy (SCN)

The Shipbuilding and Conversion, Navy portion of the FY 91 Budget provides for a Navy of 546 ships, 25



Artist's concept of *Seawolf*-class (SSN-21)

less than anticipated in FY 90. We will decommission 23 ships. These decommissionings will not be matched quantitatively by new construction. The Shipbuilding and Conversion, Navy appropriation request of \$11,195.2M in FY 91 will fund 15 new construction ships. These ships include two *Seawolf*-class (SSN 21) attack submarines, one *Trident*-class ballistic submarine, five *Arleigh Burke*-class (DDG 51) *Aegis* destroyers, one LHD (amphibious assault ship), one LSD (CV) (Landing Ship Dock, Cargo Variant), three MHCs (coastal minchunters), one AOE (fast combat support ship) and one TAGS (ocean surveillance ship). Funding for 12 LCAC (Landing Craft Air Cushion) craft is also included.

The Submarine Force. The nuclear submarine force has been executing and perfecting stealth for more than 30 years. Our current attack submarine force, led by *Los Angeles*-class (SSN 688) submarines, maintains an unchallenged worldwide presence. This force is capable of delivering a wide variety of weapons—the MK 48 and MK 48 Advanced Capability (AdCap) torpedoes, *Harpoon* and *Tomahawk* anti-ship missiles, *Tomahawk* land-attack cruise missiles, and mines.

The *Seawolf*-class (SSN 21) submarine is designed to counter the rapidly increasing capabilities of the Soviet submarine force projected for the 1990s and beyond and will be a revolutionary improvement in submarine war-fighting capability. In contrast to the four submarines delivered to our Navy in 1989, the Soviets completed nine submarines, five nuclear and four diesel, slightly above average for the 1980s. Production of the *Akula* SSN, *Sierra* SSN, *Victor III* SSN, *Oscar II* SSGN and *Delta IV* SSBN continues. Any impact of defense cuts and economic restructuring on the Soviet submarine construction programs has yet been felt. Minor delays in production which might signal a slowdown are offset by continued building in shipyards publicly designated for transition to civilian work. We believe the current submarine program will keep major Soviet shipyards employed through 1993 at historic construction rates.

Counterposed to this substantial Soviet threat is the *Seawolf* SSN, the world's foremost submarine: quiet, fast and outfitted with advanced sensors. The *Seawolf* will represent the most formidable ASW platform in the world and will provide a technological hedge against the increasingly sophisticated and always difficult area of anti-submarine warfare.

Our ballistic-missile submarine force will continue modernization over the next decade, the result of long-

Ship Construction Program

New Construction	FY 90	FY 91
SSBN 726 <i>Ohio</i> -class (<i>Trident</i> Ballistic Missile Submarine)	1	1
SSN 688 <i>Los Angeles</i> -class (Attack Submarine)	1	-
SSN 21 <i>Seawolf</i> -class (Attack Submarine)	-	2
DDG 51 <i>Arleigh Burke</i> -class (<i>Aegis</i> Destroyer)	5	5
LHD -1 <i>Wasp</i> -class (Amphibious Assault Ship)	-	1
LSD 41 <i>Whidbey Island</i> -class (Cargo Variant Dock Landing Ship)	1	1
MCM 1 <i>Avenger</i> -class (Mine Counter-measures)	3	-
MHC 51 <i>Osprey</i> -class (Coastal Minchunters)	2	3
T-AGOS 23 (Ocean Surveillance Ship)	1	-
AOE 6 <i>Supply</i> -class (Fast Combat Support Ship)	1	1
AGOR (Oceanographic Research)	3	1
LCAC (Landing Craft Air Cushion)	(12)	(12)
SOF (Special Operating Forces Landing Craft)	(9)	-
USCG Icebreaker	1	-
USCG Patrol Boats	(12)	-
Subtotal	19	15
Conversions		
CV SLEP (Service Life Extension Program)	1	-
<i>Enterprise</i> (Refueling/Mod)	1	-
AO Jumbo <i>Cimarron</i> -class (Fleet Oiler)	1	-
Moored Training Ship	(1)	-
Subtotal	3	-
Total: Ships	22	15

standing plans to build a strategic weapons system composed of large, very quiet submarines armed with long-range weapons—*Trident* submarines armed with *Trident II* D-5 missiles. This submarine entered the force in 1989 with the commissioning of USS *Tennessee* (SSBN 734).

The expanded capabilities of *Trident* will challenge a number of assumptions that have conditioned thinking about ballistic missile submarines in the past. They also will further exemplify the invulnerability and enhanced communications reliability of these submarines in the context of their already enormous contribution to the triad. This will almost certainly produce a dramatic expansion of the role played by the SSBN force. While operational tests are incomplete, it is clear that the missile's accuracy will be on the order of twice that of the currently deployed *Trident I*. Also, when armed with the larger of its possible warheads, *Trident II* will have the capability to destroy hard targets, earlier thought to be vulnerable only to high-yield bombs or to the most modern U.S. ICBM.

The Aircraft Carrier Force. Carrier battle groups represent the single most important aspect of our sea control and power projection capability. We will continue to need *Nimitz*-class aircraft carriers and their multi-mission air wings well into the next century to establish and sustain the tactical air superiority at sea critical to power projection, sea control and protection of the sea lines of communication. As our overseas base structure shrinks, it is the mobile base—the aircraft carrier—that will allow us to bring tactical aircraft to the scene of crises and stay there until needed or until diplomacy solves the situation.

A well-structured program of new construction must be set in place to offset the decommissioning of the older units. The Navy's experience with the multi-ship acquisition of USS *Abraham Lincoln* (CVN 72), *George Washington* (CVN 73), *Stennis* (CVN 74), and *United States* (CVN 75) demonstrates that it is most efficient and economical to procure two carriers under one contract.

There are no conversion ships included in the FY 91 request. USS *Kitty Hawk* (CV 63) is now being modernized as part of the Service Life Extension Program (SLEP). USS *Constellation* (CV 64) is scheduled to commence SLEP in July 1990. Carriers which have completed their SLEP, USS *Saratoga* (CV 60), USS *Forrestal* (CV 59) and USS *Independence* (CV 62), continue to operate reliably.

The Surface Combatant Force. Over the past 10 years, the surface Navy has undergone a revolution at sea. The advent of *Aegis*, SQQ-89 ASW system, LAMPS MK III helicopters, *Tomahawk* and VLS has altered the art of naval warfare and provides a solid foundation for the Navy of the 21st century. The capabilities of these multi-

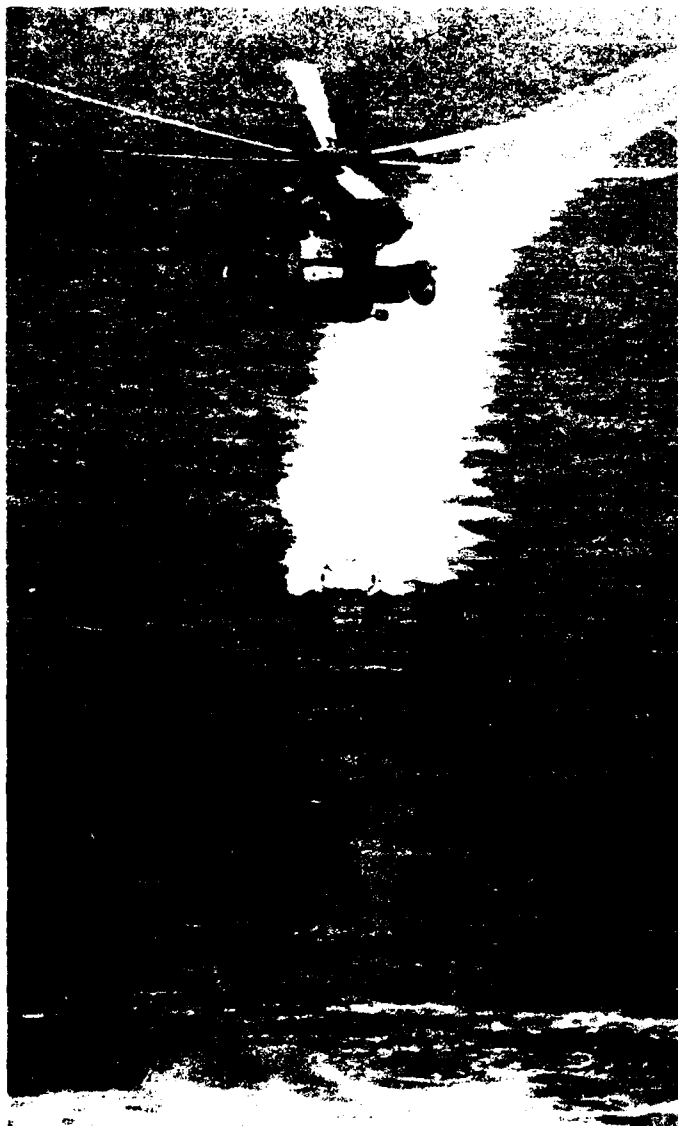
dimensional systems, and the flexibility they exhibit in adapting to changing requirements are the hallmarks of this new generation of ships and weapons. Ships are valued because of the warfighting capability of the systems they have installed, not because of their class. Versatility, capability against the toughest threats, efficiency and affordability are what makes a modern surface combatant a sound investment. The traditional categories of "frigate," "destroyer" and "cruiser" have become a less important yardstick for determining capability.

As a result, our at-sea, anti-air warfare capability will continue to revolve around the *Aegis* force. The *Ticonderoga*-class (CG 47) of *Aegis* guided-missile cruisers is comprised of 27 ships, 15 of which have been commissioned to date. They have operated with enormous success in all environments and in every ocean in a variety of employments. The last five ships of the class were authorized in FY 88 and the final ship is scheduled for delivery in 1994.

The *Arleigh Burke* (DDG 51) is the second class of *Aegis* warships authorized by Congress and currently under construction. The mission of the *Aegis* guided-missile destroyer is the simultaneous execution of naval warfare in its four dimensions: anti-air, strike, anti-submarine and anti-surface. *Aegis* equipped DDG 51-class ships will complement the CG 47-class cruiser in Carrier Battle Group operations. Our budget submission this year provides funding for the five FY 91 ships in a multi-year procurement strategy approved by Congress. Five ships per year maintains the dual ship builder industrial base necessary for a competitive environment, and is the most efficient way to redress our AAW shortfall.

The Amphibious Force. The FY 91 budget also reflects our continuing plan to offset amphibious ship block obsolescence. The follow-on units of the *Wasp*-class (LHD 1) and the cargo variant *Whidbey Island*-class (LSD 41) represent the modern amphibious lift required for the Navy-Marine Corps team to provide flexible and mobile forces for crisis response. The continued investment in 12 additional Landing Craft Air Cushion (LCAC) vehicles represents a marked improvement in our ability to rapidly move Marines ashore in support of national objectives.

The Mine Warfare Force. The ambitious plan to modernize our obsolescent minesweeper force continues this year with the request for three MHC 51 *Osprey*-class minehunters. The abundance of mines in the Third World reinforces the need for a modern mine counter-



measure force capable of meeting the full spectrum of mine threats. The value of our surface mine countermeasures force was clearly seen in the Persian Gulf where the United States mobilized and deployed minesweepers in order to protect shipping and guarantee freedom of navigation.

While the CH-53 *Super Stallion* minesweeping helicopter plays an important role in our quick-reaction and shallow-water countermeasures capability, minesweepers and minehunters are the only way to sustain a mine countermeasures effort—as in the Persian Gulf—over a long period of time. These ships are also necessary to detect and sweep modern, deep-moored mines.

The Combat Logistics Force. The FY 91 budget request also includes funds for the third of four AOE 6 *Supply-*

class Fast Combat Support Ships. An increase of \$27.9M to the AOE program is proposed as a result of prior year shipbuilding execution experience. The inherent mobility and flexibility of naval forces is defined by their ability to operate independently of shore support for extended periods of time. This capability rests on the ability of "floating logistic bases" to replenish underway, at sea, vital supplies of weapons, fuel and food to carrier battle forces on station throughout the world. These ships will assume even greater importance to deployed naval forces if the access to secure overseas bases decreases in the future.

The Strategic Sealift Force.

Strategic sealift is part of the mobility triad (sealift, airlift and pre-positioning) and is necessary for both our national economy and national defense. Sealift is a national issue requiring national solutions. The adoption of the National Sealift Policy last year is important to maintaining the country's forward defense strategy. Changes in our posture overseas may cause some shifts in sealift requirements. Until the U.S. force structure and disposition of forces withdrawn are settled, attempting to determine new strategic sealift requirements is not practical. It would be premature to modify our strategic sealift approach until we determine precisely what our new goals will be.

We have a significant capability today. The eight fast sealift ships we own will lift an entire armored or mechanized division's equipment. We will continue to assess how this capability, along with the very successful and flexible maritime pre-positioning ship (MPS) and afloat pre-positioned force (APF) programs will meet current and future requirements. It is clear, however, that America's historic reliance on oceanic trade will continue and will likely increase, even while the inventory of U.S. flag merchant ships decreases from the 893 ships available in 1970 to a forecasted force of only 200 ships by the year 2000.

Aircraft Procurement, Navy (APN)

The Aircraft Procurement, Navy appropriation request of \$9,838.6M in FY 91 will fund the procurement of 163 aircraft and the remanufacture of an additional 15. Also included in the budget request are funds for modification of existing aircraft and procurement of the spare parts and support equipment necessary to effectively use these aircraft. This request provides the best distribution of available funding to provide a total war-fighting aviation mix. The current force-level require-

ments include 13 active and two Reserve carrier air wings, 24 active and 13 Reserve ASW patrol squadrons and three active and one Reserve Marine air wing. We find these numbers adequate to meet the challenges of the 1990s.

Strike. Strike/anti-surface warfare aircraft are the means by which our carrier force projects offensive power ashore or against other naval forces. All-weather attack responsibilities will continue to be executed by the A-6E *Intruder* until the A-12 is introduced into the fleet in the mid-1990s. *The A-12 is the Navy's top aviation priority.* Incorporating significant stealth characteristics and greater range, this revolutionary tactical aircraft will be able to penetrate even the most heavily defended enemy areas to reach and destroy targets. The anti-air threat to aircraft continues to grow at a phenomenal rate. Throughout the world the proliferation of easy-to-use, anti-air missiles and increasingly sophisticated air defense networks places a premium on the introduction of stealth aircraft. The Air Force and the Navy have joined forces in the development of this

aircraft and have achieved reductions in development and procurement costs.

The versatile F/A-18 *Hornet* will continue to enter the fleet at a steady rate. A force-multiplier capable of close-air support, fighter escort, interdiction and fleet air defense, this aircraft features advanced avionics, low maintenance, superb displays for the single pilot and excellent growth potential.

Air Superiority. Anti-air warfare aircraft are the primary means for achieving air superiority throughout the carrier battle group's offensive reach. The key element of the AAW force is the F-14. The F-14D will first enter fleet service in FY 90, representing a major upgrade to new and existing aircraft and providing new high performance engines, state-of-the-art digital radar and new digital avionics. The FY 91 budget contains funds to remanufacture 12 F-14As into F-14Ds. To provide all-weather active and passive air and sea surveillance, six E-2C *Hawkeye* aircraft, featuring the APS-145 radar, are funded. Three EA-6B electronic countermeasure aircraft will undergo a remanufacture program designed to sustain their effectiveness against advanced threat systems already appearing around the globe.

Anti-submarine Warfare. ASW aircraft are critical factors in the Navy's number one warfighting priority. Important in both the strategic and tactical arenas, tactical air ASW exploits two unique characteristics of aircraft—high speed mobility with associated operational flexibility, and moderate immunity from detection and counter-attack.

The P-7 Long-Range Air ASW Capability Aircraft (LRAACA) will provide increased payload, greater range, longer endurance on station, higher transit speed and dramatically improved reliability, maintainability and survivability. Equipped with the Update IV submarine-detection system, P-7 production is scheduled to begin in FY 92 with advance procurement funds for the first three aircraft included in this budget. The Update IV system will also be retrofitted into the existing P-3 fleet. Funding for upgrades to our carrier-based S-3 ASW aircraft will continue in FY 91, providing the S-3 with an improved avionics package and the APS-137 Inverse Synthetic Aperture Radar (ISAR). The S-3 modernization is getting rave reviews from fleet operators.

Procurement of two SH-60 shipborne helicopter variants will continue in FY 91—six SH-60Bs (LAMPS MKIII) which provide both ASW and anti-surface capabilities to our battle groups and to our surface

Aircraft Procurement Plan

Aircraft	FY 90	FY 91
A-12 (All-Weather Attack Aircraft)	*	*
EA-6B <i>Prowler</i> (Electronic Warfare)	-	3
AV-8B <i>Harrier</i> (Attack)	24	24
F-14D/D(R) <i>Tomcat</i> (Fighter)	*** 24	** 12
F/A-18 <i>Hornet</i> (Fighter)	66	66
CH/MH-53 <i>Sea Stallion</i> (Mine-hunting Helo)	10	23
V-22 <i>Osprey</i> (Vertical-lift Aircraft)	-	-
AH-1W <i>SuperCobra</i> (Attack Helo)	-	-
SH-60B <i>Seahawk</i> (Sea-based ASW Helo)	6	6
SH-60F <i>Seahawk</i> (CV-based ASW Helo)	-	18
P-7 (LRAACA)	-	-
E-2C <i>Hawkeye</i> (Surveillance)	4	6
Special Aircraft	*	*
T-44 <i>King Air</i> (Trainer)	5	-
T-45 <i>Goshawk</i> (Trainer)	-	12
E-6A <i>Hermes</i>	-	-
HH-60H <i>Seahawk</i>	-	-
Total Aircraft	139	170

* Classified

** Remanufactured aircraft only

*** Includes 18 new and 6 remanufactured aircraft



combatants, and 18 SH-60Fs (CV helo), equipped with dipping sonar, which will be the carrier-based replacement for the aging SH-3. This new carrier ASW capability is expected to be deployed in FY 91.

Training. In FY 91, replacement training aircraft are needed for current I-2 and TA-4 jet trainers. This follow-on trainer, the T-45 *Goshawk*, comes with an integrated system that provides virtually all of the fundamental elements of flight training—academics, simulation and flight—all of which will be coordinated by computer based training integration. Funding for 12 T-45s is included in the FY 91 request.

Readiness

Operating an effective Navy on a day-to-day basis is the goal of readiness. It constitutes the ability of the Navy to execute its national defense responsibilities, which may range from a presence in response to threats to the lives of the hostages, to a strike deep into the heart of nations supporting terrorism. Navy readiness is America's insurance for crises. It consists of operations

and support funding for people, initial and replacement spares, base operations, training, ordnance, fuel and maintenance.

The request of \$24,531.6M in FY 91 will support naval operating forces including operation and maintenance of ships, aircraft (including Marine Corps aircraft), weapons and support equipment, as well as the total spectrum of ongoing activity within the Navy support establishment.

Our people are our most fragile and perishable readiness asset. Any mandated reduction in forces must be clearly balanced so as to not compromise our personnel experience levels or our training requirements. We must continue to pay close attention to quality-of-life issues, including a decent wage, reasonable PersTempo, high-caliber and quality training, continued improvement of medical services, decent housing, spiritual counseling availability and enhancements in dependent programs.

Continued success at maintaining a well-motivated, high-quality All-volunteer Force capable of working

with and operating technologically-sophisticated equipment will rest directly on the continued investments we make in them. Necessary to this are maintenance of equitable compensation—comparable to civilian rates—an adequate quality of life and a rational end strength.

The request of \$19,363.1M for Military Personnel, Navy (MPN) in FY 91 will support an end strength of 584,800, a decrease of 5,701 from FY 90. This end strength decrease is related to the inactivation of two battleships, the transfer of frigates to the NRF, the change in delivery of the *George Washington* and a reduction in naval infrastructure. Additionally, the Defense Management Review resulted in a reduction of 1,668 in end strength related to the civilianization of military personnel in various support functions. The MPN funding increase in FY 91 is primarily tied to the pay raise of 3.5 percent effective Jan. 1, 1991. This funding increase is partially offset by strength reductions and a transfer of Subsistence-In-Kind funding from the Military Personnel, Navy appropriation to the Operation and Maintenance, Navy appropriation.

Sustainability

Sustainability is essentially the “staying power” of the Navy. It is measured by our ability to supply our



forces with the required fuel, spares, repair parts, ordnance and food, and includes funding for war reserve stocks. Sustainability is the lifeline that allows us to maintain a combat-ready, forward-deployed Navy around the globe.

In light of force structure changes and the reduced likelihood of a near-term conflict with the Soviet Union, we will continue to reevaluate the scenarios and parameters from which we derive the sizing of our inventories. We intend to avoid accumulating large inventories of high-cost weapons that would likely be made obsolete by advances in technology before they would be needed in combat. Procurement decisions favor those weapons which would be used in the most likely conflict scenarios.

The Weapons Procurement Appropriation Request of \$6,161.4M funds procurement of strategic and tactical missiles, satellites, torpedoes, guns and other weapons, ammunition and other ordnance, spare parts and support equipment. The *Trident II* (D-5) program resumes full-rate production following recent successful flight tests. The *Tomahawk* missile program supports maximum competitive dual-source production levels, accelerating near-term procurement while capturing substantial cost efficiencies. A total of 900 *Standard* missiles will be bought on a dual-source basis for our *Aegis* cruisers and destroyers.

Part of the sustainability pillar includes our reservists, for which funding in the amount of \$1,624.6 M in FY 91 has been requested. This will support an end strength of 149,700 reservists, a decrease of 3,700 from FY 90. This decrease reflects the combined effect of the additional ships transferring to the Naval Reserve, a Navy decision to reduce Full-Time Support work years, and a DoD decision to reduce the Naval Reserve infrastructure. Funding will also provide for Individual Ready Reserve (IRR) screening of 34,480 reservists and an additional 289 full-time support personnel to accommodate a net increase of five ships being introduced into the NRF in FY 91. The same FY 91 pay raise factor described for the MPN appropriation is reflected in this account.

Modernization

Modernization includes all Navy research, development, testing and evaluation (RDT&E), fleet modernization or ship alterations and aircraft and weapons modifications. These funds allow for cost-effective improvements to current systems and for research and development so



that we might identify the most promising avenues for future improvements.

Research and development provides the means to maintain our warfighting edge. In addition to improving our warfighting capability, technology also provides the means by which we increase reliability, effectiveness and maintainability of systems and component equipments while reducing manning, support and follow-on acquisition costs. Operational and tactical superiority demand a dynamic research and development program to support the forces of the future and to hedge our bets against new and "surprise" technologies that could pose grave dangers. We must maintain a vigorous technology base so that the newest and most modern of technologies are understood and available for application to defense needs if required. Since *Monitor* and *Merrimac*, success at sea has been determined by the intelligent and innovative application of technology. If we lose our technological edge, we lose maritime superiority.

The RDT&E appropriation request is \$9,102.4M, a decrease of \$363.4M from the FY 90 request. Most of

this decrease is the result of tactical programs transitioning to production. We are witnessing the fruition of our past investment in RDT&E and must now think about the next generation of weapon systems. The technology base, which provides funding of basic research and exploratory development with the primary objective of increasing fundamental scientific knowledge adaptable to solving needs of widely varying future requirements, increases by \$62.5M over last year's budget. This is our investment in the next generation of naval systems.

Our programming has, as one of its aims, the maintenance of our technological and operational advantage in anti-submarine warfare. One of the significant characteristics of the *Seawolf* attack submarine is the designed-in capability to accept future technological advances. The Advanced Submarine Technology Program Office in the Naval Sea Systems Command, is working closely with the congressional-directed Defense Advanced Research Projects Agency's (DARPA) Advanced Submarine Technology Program to identify revolutionary submarine technologies so that we may preserve our undersea superiority.

Medical Care

It is essential that we have a cadre of professionally trained and physically-capable men and women to man the fleet. My continued primary commitment to our people has resulted in a significant shift of resources to the issue of medical care for themselves, their families and our retirees. The impressive investment we have made in medical readiness over the past several years has left us better able to support our Sailors and Marines. This preparedness allows us to reorder our near-term priorities toward refurbishing our peacetime health care system. Prudent investments in a balanced



military medical system help us retain dedicated military professionals. Carefully planned and executed, these investments provide tangible returns by allowing us to partially escape the high costs of purchasing health care services through the CHAMPUS program.

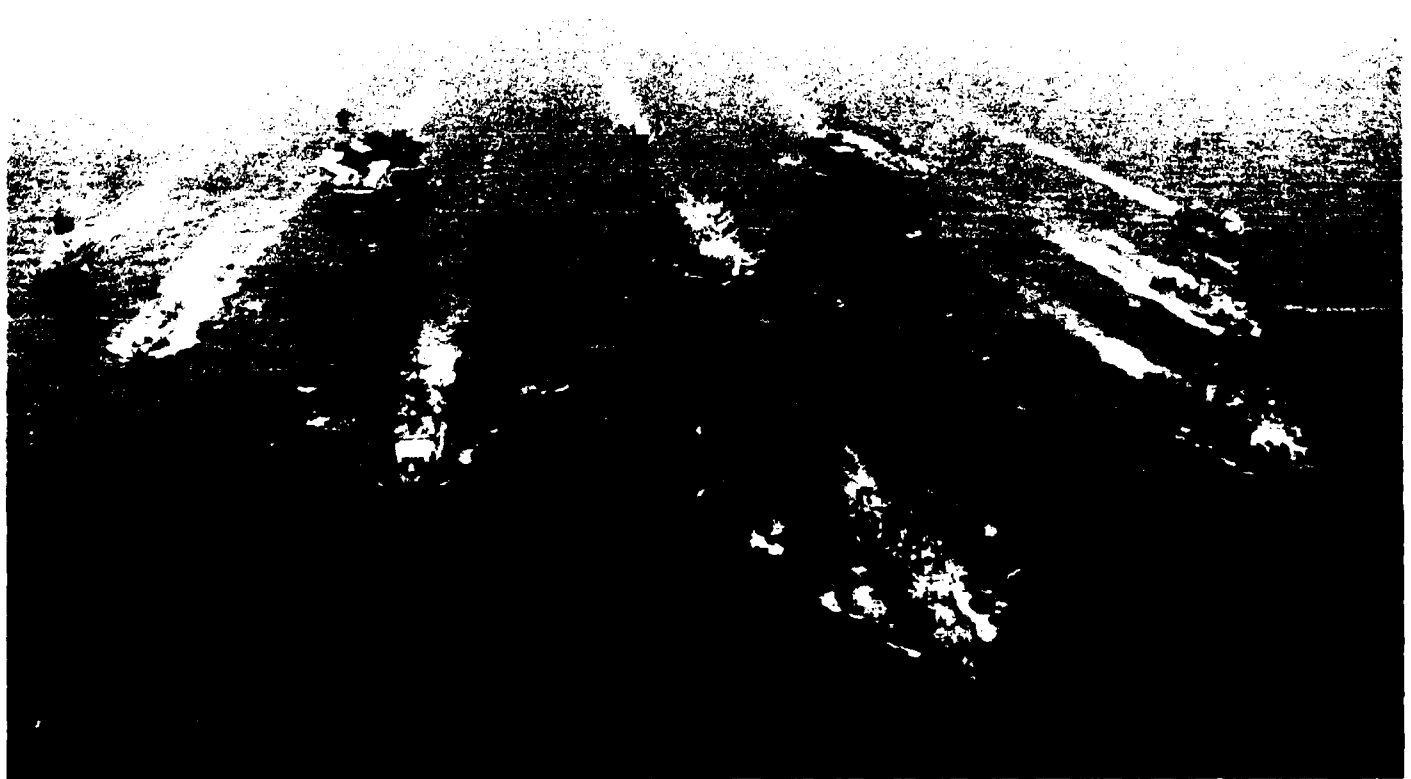
Summing Up

In an international environment marked by the potential for continued military competition with the Soviet Union as well as a continuation of the instability that has defined much of the world since 1945, the size and capability of the United States Navy will be a significant determinant of our country's ability to fulfill its role as the world's only true superpower. At a minimum, the U.S. Navy must be large enough to maintain a credible naval deterrent in the event of an adverse change in the international outlook of the Soviet Union. We must be able to prevail against the Soviet navy and ensure that the sea lines of communication with our allies remain open. We must also have sufficient forces to maintain a

forward presence in East Asia, Southwest Asia and the Mediterranean. Additionally, we will be playing an increasingly important role in our national effort against drugs.

In view of our experiences with contingency- and limited-objective operations as well as Third World crises since World War II, we must have sufficient forces to cover those events without abandoning our presence in other areas of the world. In the 1990s, our nation's defense concerns will shift away from a sharply continental focus to more broadly encompass Europe, the Pacific, Middle East, Caribbean basin and Southwest Asia. We must also have sufficient forces to ensure our maritime superiority while maintaining a tolerable quality of life for our seagoing Sailors, through a reasonable rotation of forward-deployed ships.

In general, the FY 91 Navy Budget request enables the U.S. Navy to maintain a properly sized and balanced force in the face of a reduced Soviet threat.





**General A.M. Gray
Commandant
United States Marine Corps**

A.M. Gray, born in Point Pleasant Beach, N.J., enlisted in the Marine Corps in 1950. He served overseas with Fleet Marine Force, Pacific, attaining the rank of sergeant before being commissioned a second lieutenant in April 1952. Early tours included service with the 11th and 7th Marines, 1st Marine Division in Korea, the 8th Marines, 2nd Marine Division at Camp Lejeune, N.C., and Headquarters Marine Corps, Washington D.C. During this period he also saw overseas service in Guantanamo Bay, Cuba, and Vietnam.

As a major, General Gray joined the 12th Marines, 3rd Marine Division, Vietnam, in October 1965 serving concurrently as regimental communications officer, regimental training officer and artillery aerial observer. He took command of the Composite Artillery Battalion and U.S. Free World Forces at Gio Linh in April 1967. In September 1967 General Gray was reassigned to the III Marine Amphibious Force in Da Nang where he commanded the 1st Radio Battalion elements throughout I Corps until February 1968. Following a brief tour in the United States, he returned to Vietnam from June to September 1969 in conjunction with surveillance and reconnaissance matters in the I Corps area.

After his Vietnam tour, General Gray served as commanding officer of the 1st Battalion, 2nd Marines; Battalion Landing Team 1/2; the 2nd Marines; the 4th Marines; and Camp Commander of Camp Hansen, Okinawa, Japan. While commanding the 33rd Marine Amphibious Unit and Regimental Landing Team-4, and concurrently serving as Deputy Commander, 9th Marine Amphibious Brigade, General Gray directed the Southeast Asia evacuation operations in 1975.

Advanced to Brigadier General in March 1976, General Gray served as Commanding General, Landing Force Training Command, Atlantic, and the 4th Marine Amphibious Brigade. Promoted to Major General in February 1980 he assumed command of the 2nd Marine Division, FMF, Atlantic, Camp Lejeune, N.C., in June 1981. Following his promotion to Lieutenant General on August 29, 1984, he was reassigned as Commanding General, II MAF, and Commanding General, FMF, Europe. General Gray was promoted to General and became Commandant of the Marine Corps on July 1, 1987.

He is married to the former Jan Goss of Burlington, Vt.

Posture Statement by the Commandant of the Marine Corps

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A Report by General A.M. Gray Commandant of the Marine Corps on the Posture and Fiscal Year 1991 Budget of the U.S. Marine Corps

Thank you for this opportunity to report to you the posture of your Marine Corps. This is the third report I have been privileged to present to Congress.

The past year has given the free world reason for optimism. History is likely to record 1989 as the year the West achieved a "victory" in the Cold War. It is a victory for all who have served in the defense of this nation, and more importantly, a victory for all who believe in the fundamental rights of every man. Our foreign policy of containment provided the framework for this victory, while the forward presence of our armed forces ensured it. Today, we are encountering many of the same challenges of economic reality and defense concerns our nation faced at the end of World War II. During that period, we allowed the budget rather than strategy to shape our military. We paid dearly for this flawed approach in June of 1950 when North Korea crossed the 38th parallel and invaded South Korea. Virtually overnight, our nation was faced with reversing a five-year trend of conventional force disarmament. The reality was that five years of force reductions limited our ability to respond quickly. We recovered, but only after three years of conflict and the loss of 33,629 American lives. We should not casually dismiss this lesson in our history as we ponder today's challenges.

Soviet Threat

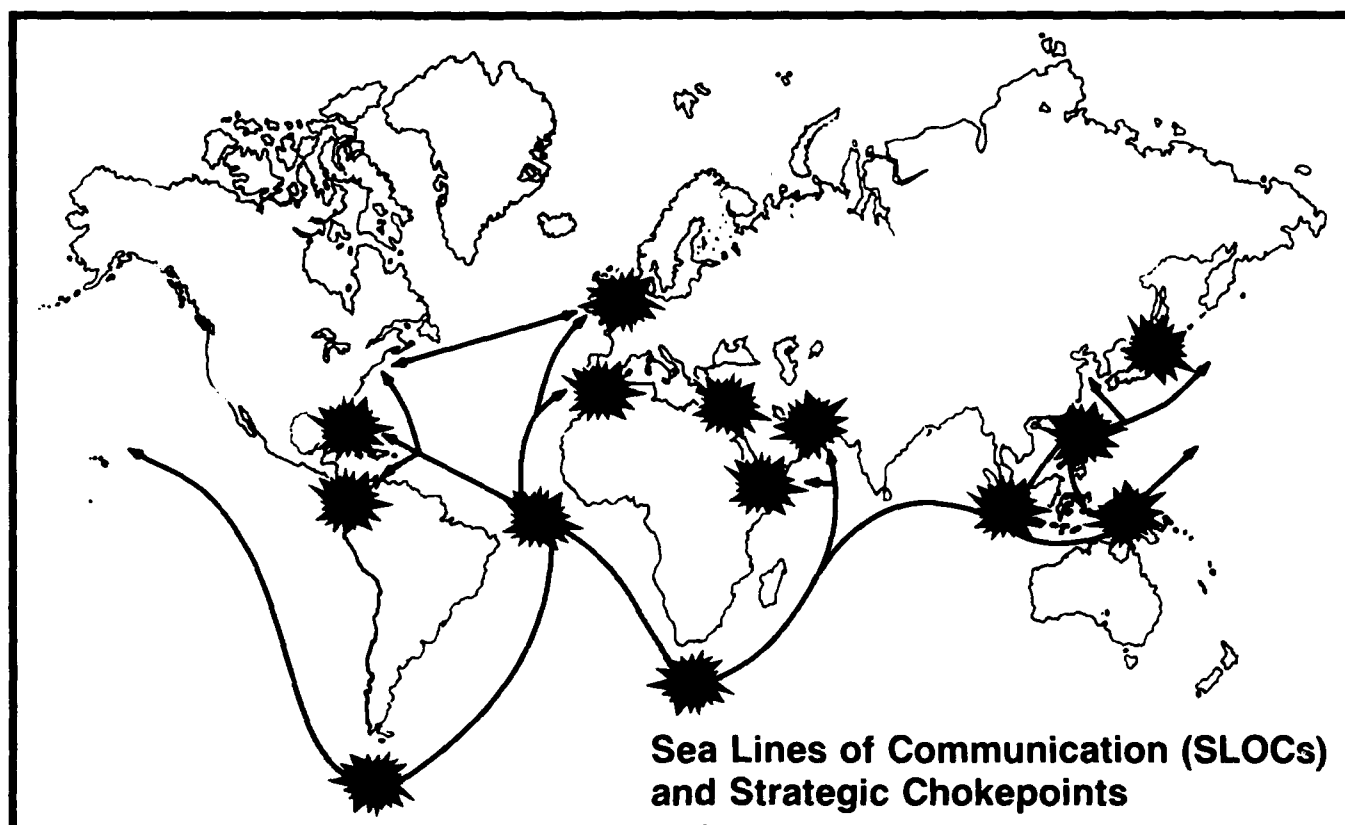
As we formulate strategy, we must acknowledge the unpredictability of our world. The Soviet Union and its alliances may be unraveling, but neither ideology nor nationalism is dead. We must remember that the Soviet Union remains a military superpower, capable of threatening our way of life. It has not abandoned its client states, although its influence may have diminished. Paradoxically, we may no longer be able to count on the stabilizing influence of the Soviet Union and its ability to rein-in renegade surrogates. While we must respond to the changing military balance in Europe, and to an anticipated decreased threat from the Soviet Union, we must remain sensitive to the potential instabilities that these conditions have precipitated. As Europe transitions

to a new era, it will face difficult political and economic challenges which could contribute to these instabilities. We can only speculate on the outcome, but relatively recent instability embroiled the world in two wars within a period of less than 30 years. While our national military strategy remains solidly based on deterrence and forward defense, we must consider how it will be influenced by the changes in Europe and elsewhere in the world.

Regional Threat

As we reassess the threat, it becomes apparent that any number of regional powers with competing ideologies, cultures and nationalistic aspirations could threaten our global interests. These regional powers, either present or emerging, provide our most likely sources of conflict. They have the potential to trigger a United States military response to protect our vital interests. We can expect these nations to have sophisticated, high-technology weapons, to include weapons of mass destruction, and well-trained armies. They need not be superpowers; North Korea, Iran, Libya, Cuba and Nicaragua are cases in point. Our interests in stability and our support for our friends and allies around the world illustrate the need for a military capability broader than the defense of our homeland.

Our economic health and well-being, and that of our allies, depend on international trade and unimpeded use of the seas. The United States' dependence on world trade has risen from \$16.3 billion in 1960 to \$460 billion in 1988, and our reliance on other nations for oil and critical mineral imports continues to increase. These interests can be threatened at several critical points throughout the globe. The four geographical areas which I believe offer the most potential for future conflict are the emerging nations of the Pacific Rim, the mineral-rich nations of Africa, the volatile nations of the Middle East and the turbulent nations of Latin America. All these areas are currently dealing with active insurgencies which potentially threaten our interests and those of our allies. Latin America, for instance, is embroiled in wars



against narco-terrorism and insurgency. Its proximity to the U.S. border makes it an area of immediate concern.

Strategy

Our future strategy should be based on our ability to respond to a wide variety of threats. The issues are complex and they increase the need for wisdom and a long range perspective in our decisions. We must retain the ability to respond to unforeseen crises, or be content with the role of casual observer. Weakness, real or perceived, invites attack or at least abuse. Military strength takes considerable time and capital to build. We cannot allow ourselves to regress to an era of budget-driven strategy. Rather, **our strategy must be firmly based upon our enduring national interests and an assessment of the threat to these interests.** We must, therefore, consider all elements of the equation simultaneously, and not focus on the most obvious one: improved relations with the Soviet Union and the subsequent reduction of the Soviet threat.

As a maritime nation, we cannot dismiss our geography and the unique requirements it imposes. We are dependent on the free use of the Sea Lines of Commu-

nication and access to the natural resources of the world for our economic and security needs. For the past 40 years, we have been a maritime nation with a continental strategy, while the Soviet Union, a continental nation, pursued a maritime strategy. The changes in the international security environment provide a golden opportunity for us to reassess our position, take advantage of these changes, and pursue our goals in a manner consistent with our national character. Today's corollary to yesterday's "keep your powder dry" is "keep your naval forces at sea."

Naval Force Requirements

Geography and today's international political climate validate the requirement for naval forces. Since World War II, naval forces have responded to **over 80 percent** of all international crises. Given the political and economic densities of the world's littorals, we can reasonably expect that the majority of international crises will continue to occur in areas accessible from the sea.

We are facing a future where access to overseas bases and support for forward-based forces is decreasing. Deterrence and forward defense under these conditions puts

a premium on capable, mobile, logistically independent naval forces able to demonstrate U.S. presence and power projection capability on the horizon of all but a handful of countries. Naval forces operating in international waters provide our decision makers with a "sheathed sword." They can be positioned off the coast, either over the horizon or in full view of a potential adversary, to convey our national intent. They are a visible representation of America's willingness to resolve a crisis diplomatically or politically, but also indicate that, as a last resort, we will "draw our sword" and respond militarily. The fact that the overwhelming majority of crises to which naval forces have responded since 1945 were resolved without military intervention further underscores the deterrent value of naval power.

The Corps

A unique characteristic of United States naval power is the inclusion of a completely integrated, air-ground, force-in-readiness—the United States Marine Corps. We are a combined-arms force designed to provide the nation a ready crisis-response capability. When required, we are capable of forcibly projecting and sustaining combat power into a hostile region.

Following enactment of the National Security Act of 1947, which set forth the composition and functional responsibilities of the armed forces, your predecessors in these halls met again in 1952 to define more specifically the roles of the services. The record of those hearings provides insight into the intent of Congress, as it viewed

the need for a Marine Corps, and the wisdom in the deliberations which took place concerning it. Our legislators envisioned a force of combined arms in the active structure which, in partnership with the Navy, would provide the ready, expeditionary forces necessary to protect U.S. interests abroad. Being naval in character, yet oriented in function to the land and air, such a force could operate with the fleet around the world. This force would be independent of the requirements for overseas basing, yet able to provide the complete spectrum of response to "...minor international disturbances." The lawmakers envisioned, beyond this purpose, that such an organization would be available for other "...duties as the President may direct." For almost 40 years, these requirements have been the blueprint for your Corps' strategic, operational and program planning efforts.

Today, forces of combined arms are formed from the resources contained within our divisions, aircraft wings and support units into **Marine Air-Ground Task Forces (MAGTFs)**. These unique, flexible, formations range from small Special Purpose Forces to large Marine Expeditionary Forces of 50,000 or more personnel. **MAGTFs can be configured as light, air transportable, self-sustaining expeditionary forces; as powerful assault forces capable of employment from amphibious shipping; or as mechanized forces to be flown to, equipped from and sustained for an extended period by our Maritime Pre-positioning Ships' Squadrons.** All MAGTFs have inherent special operations and low-intensity conflict capabilities that are continually being enhanced.





After a demanding comprehensive training and certification program, our forward-deployed MAGTFs are designated special operations capable. Each forward-deployed MAGTF is capable of time-compressed planning, and is required to be ready to commence mission execution within six hours of receipt of its mission.

We provide each of the warfighting CINCs with an array of force-employment options that take full advantage of our capabilities and multiple means of deployment. Marines embarked aboard our Navy's amphibious ships provide a self-sustaining, forcible-entry capability which can be flexibly sized to mission requirements. As our access to overseas bases and overflight rights decreases, our reliance on this capability for crisis response will become even greater. Shortly after the turn of the century, however, more than 50 percent of our current amphibious ships will reach block obsolescence. We must have your support for a vibrant amphibious ship-building program, otherwise, our nation's ability to maintain forward presence around the world and to project and sustain power, when needed, will be severely reduced.

We can also deploy MAGTFs by airlifting Marines, helicopters and tactical aircraft to locations where they can be aligned with either the Maritime Pre-positioning Ships (MPS) or our pre-positioned equipment and supplies in Norway. In the first case, a brigade of Marines, as large as 17,000 personnel, 60 helicopters and 70 tactical-fighter aircraft can be deployed by strategic-airlift to linkup with one of the three squadrons of Maritime Pre-positioning Ships along the littorals of the world. Fewer than 250 C-141 equivalent strategic-airlift sorties are required to deploy the entire force. To deploy this same size force, together with 30 days of sustain-

ability without these strategically mobile, floating warehouses, would require approximately 4,500 sorties. This would severely tax our strategic-airlift resources. The MPS brigades can be deployed, linked up with their equipment and ready for employment in under 10 days. This unique strategic-mobility enhancement and force-deployment option is afloat now. It is an extraordinary program, set into motion a decade ago and available today. Its readiness is maintained by regularly scheduled exercises conducted around the globe. In a quantitative sense, the three squadrons of Maritime Pre-positioned Ships, strategically disposed in the Indian Ocean, Western Pacific and Atlantic Ocean, enable the nation to deploy at a cumulative cost of under 750 strategic-airlift sorties, 51,000 Marines, 180 helicopters and more than 200 tactical aircraft in response to a crisis, regional conflict or war. We are continuing to refine the structure of these Maritime Pre-positioned Forces to provide increased flexibility when a force of less than brigade size is required.

In 1980, to strengthen the defense of NATO's vital northern flank, the United States earmarked a brigade

MPS 7-DAY STRATEGIC REACH



of Marines for reinforcement of this region. The supplies and equipment for the brigade are stored in underground storage facilities in Norway. A MAGTF of approximately 13,000 Marines can be airlifted to join with this equipment and be ready for operations in just 10 days.

The third dimension of our crisis response capability, or our ability to reinforce rapidly our forward-deployed amphibious forces, rests in our three Marine Air-Contingency Force packages which are on ready alert throughout the world every day. These forces are light brigades, poised for worldwide deployment via strategic airlift, beginning within four hours of notification. They are a means of deploying Marine forces rapidly to a crisis, or

of rapidly expanding the capabilities of amphibious or maritime pre-positioned forces already committed.

The nation has at its call today a Corps capable of service at sea, on land or in the air; a Corps highly trained, well equipped, with high levels of sustainment, completely integrated as an air-ground package and not dependent upon the mobilization of a single Marine to respond to crisis or meet its wartime commitments. With a combination of amphibious ships, Maritime Pre-positioned Ships and land pre-positioning, and strategic airlift, you can deploy the Corps where you need it, and when you need it—NOW!

Current Operations

The past year has once again been a period which validated our aggregate utility and our focus on low- to mid-intensity conflict. Marines responded to crises throughout the world in Lebanon, Panama and the Republic of the Philippines. Naval forces responded to crises in Lebanon on two occasions. The Lebanese Civil War in February and the Hostage Crisis in August of last year found Marine Expeditionary Units, with special

operations capabilities, as part of a Naval Task Group poised off the coast for potential evacuation operations. Two years ago, Marines deployed to Panama in April of 1988 to augment the Marine Security Force ashore at the canal. In May of last year, following the violent election campaign in Panama, a company of Marines with their Light Armored Vehicles were deployed to reinforce U.S. forces. Finally, in December of 1989, all of these Marines participated in Operation *Just Cause*.

Perhaps the most visible representation of the utility of naval forces was the crisis response to the recent coup attempt in the Philippines. Four Marine combat elements responded immediately. The 9th Marine Expeditionary Brigade was already enroute to the Philippines to participate in an exercise. Marines from the brigade were flown in to augment the security forces at Naval Base, Subic Bay. A Marine Expeditionary Unit, embarked aboard ships of the U.S. Seventh Fleet, was standing by off the coast and prepared for operations. A company of Marines from the Marine Corps Security Force at Subic Bay reinforced the Marine security guards at the American Embassy within minutes after the coup attempt. Finally, an Air Contingency Force of 2,000 more



Marines stood by on **four-hour alert** on Okinawa ready to deploy by airlift to the Philippines if required.

Last year also saw Marines involved in the fight against the flow of illegal narcotics into our country. Aviation, intelligence and ground-reconnaissance support was provided to law enforcement agencies operating in the Caribbean and along the southwest border. Marines working closely with the Drug Enforcement Administration (DEA) train their agents before they deploy to South America, and assist DEA in planning its active operations. These activities concentrate on the supply side, but perhaps even more important, we are attacking the demand side of the equation with equal vigor. Active-duty, Reserve and retired Marines were and remain actively involved in youth anti-drug education programs throughout the country. Our work with federal, state and local law enforcement agencies, both in law enforcement and social service, has forged a formidable partnership in support of our President's goal for a drug-free society. At home, Marines assisted with humanitarian relief efforts following Hurricane Hugo, the San Francisco earthquake and participated in the Alaskan oil spill cleanup operation.

The diverse missions accomplished by Marines throughout the past year illustrate the broad utility of the Corps to the nation in any form of crisis. The day-to-day high level of readiness of all Marines enables us to concern ourselves with the question "How quickly can we get there?" and not, "Are we ready to go?" Whether via amphibious shipping, strategic airlift, prepositioning or a combination of all three, **Marines can respond to a crisis with the combat power required, and equally as important, the sustainability to win.**

Service Planning

As a military service, our responsibility is to provide forces to the combatant commanders that are structured, trained and equipped to meet their needs. Using the direction contained in National Security Decision Directive 219 and the mandates contained within the Goldwater-Nichols Defense Reorganization Act of 1986, **our planning process is driven by an assessment of the threat, a review of the national strategy and the identification of operational requirements needed to execute our strategy.**

Using the foregoing planning process, we have completed three of the plans which will guide our Corps into the 21st century. The first, the *Marine Corps Campaign Plan*, provides a common direction to Fleet Marine Forces and the supporting establishment. It focuses our



policies, programs and studies to meet long-term and contingency requirements. The second, the *Marine Corps Long-Range Plan*, projects Marine Corps concepts, capabilities and goals 10 to 20 years into the future. The third, the *MAGTF Master Plan*, focuses on operational concepts and requirements at all levels of employment through the year 2000. The *MAGTF Master Plan* places an increased emphasis on low- to mid-intensity conflict. Using the goals initiated in the long-range plan, it establishes priorities for mid-term operational requirements. This plan is the cornerstone of our planning, programming and budgeting actions.

The Marine Corps participates fully in the Department of Defense's collective planning efforts throughout our own planning process. All that we do to build, train, deploy, employ or sustain our operational forces is done in coordination with the Department of the Navy, the Joint Staff, the Office of the Secretary of Defense and

the combatant CINCs. To be specific, the Marine Corps' service planning process is fully integrated with, and responsive to, both the Joint Strategic Planning System and the Planning, Programming and Budgeting System. For example, the *Marine Corps Long-Range Plan* and the *MAGTF Master Plan* are designed to interact with the development of National Military Strategy, the Defense Planning Guidance and the Program Objective Memorandum. Each document is designed to be responsive to change in the security environment to include the threat, National Military Strategy and fiscal realities.

The benefit from this revised process is an identifiable linkage, traceable from strategy, through service planning, down to the capabilities and expenditures for specific programs. Our planning drives the six primary elements which contribute to our warfighting capabilities: doctrine, structure, equipment, manpower, training and education.

Innovation

Our maneuver-oriented doctrine reflects an understanding of the operational requirements of modern warfare. The diversity of threats requires a doctrine which addresses the wide-range of combat situations that Marines will likely face. Fleet Marine Force Manual-1 (FMFM-1), *Warfighting*, published last year, is the first of our keystone doctrinal publications. It articulates our operational philosophy and provides the authoritative basis for how we fight. It provides not just guidance for combat actions, but, more importantly, a way of think-

ing about combat in general. *Warfighting* is the philosophy for our profession of arms. This year, it will be complemented by the publication of: FMFM 1-1, *Marine Corps Role in National Defense*; FMFM 1-2, *Campaigning*; FMFM 1-3, *Tactics*; and FMFM-2, *MAGTF Operations*. As long as Marines are well-trained in fundamental individual and unit skills, and leaders have been conditioned to adapt quickly, improvise and act based on their estimates of the situation, the Marine Corps will measure up to our nation's requirement for military flexibility and readiness in an uncertain world.

As in the past, your Marines will continue to use our warfighting philosophy as the basis for innovation in doctrine, tactics, techniques and equipment development. Implicit in our mission as a force-in-readiness is the requirement to update our warfighting structure and operational requirements. By studying the security environment and anticipating change, we have been able to identify requirements, sometimes before they were realized or commonly accepted, for the doctrine, operational concepts, equipment and techniques needed to meet evolving strategic and tactical needs. Responding to the requirements of expeditionary warfare, Marines took the lead in the development of amphibious doctrine and equipment, close-air support techniques and aircraft to include vertical take-off high-performance jets, the helicopter, the vertical-assault concept, the Light Armored Vehicle and sea-based pre-positioning.

Recognizing that threat conditions are changing, we have responded by refining our structure to be more responsive to the new security environment. These actions have resulted in several enhancements to our MAGTF structure, doctrine and equipment. For example, we have been working in partnership with the Navy toward an improved ability to project forces more rapidly over extended distances. The ability to project power from over the horizon, passing first-line enemy defenses to insert forces deep to inland objectives, is an operational maneuver requirement needed to meet the warfighting needs of our nation well in the 21st century. Over-the-horizon operations will dramatically expand the number of areas into which we can project power, provide tactical surprise and allow us to fully exploit our warfighting enhancements.

MAGTF Enhancements

Building on the achievements of the last decade, we have enhanced our capability for low- to mid-intensity conflict. Our efforts enabled us to improve the existing capabilities of our MAGTFs without adding manpower.





Using a bottom-up approach, we began with the basic infantry squad and concluded with the development of the requisite support functions needed to maintain and sustain our MAGTFs in combat. While fiscal constraints have forced the cadre of three infantry battalions (3,000 Marines) in 1989, we have been able to develop an optimal and flexible infantry battalion structure as the building block for all force structure and manpower initiatives.

We have enhanced our infantry battalions. Selective additions have improved their mobility, firepower and sustainability. We have added a fourth maneuver company to our infantry battalions to improve their flexibility and reconnaissance capability. Similarly, each of our reconnaissance and combat engineer battalions have been improved by the addition of a fourth company. In addition, Scout Infantry have been added to our Light Armored Infantry battalions. We are also improving our existing civil affairs and psychological warfare capabilities. These changes have been accomplished in

part by reducing heavier units from our active structure and moving them to our Reserves, and by streamlining our command elements and combat service support units. These adjustments have improved the ability of our expeditionary forces to control and influence larger areas while employing Marine tactics that have previously been proven to be relevant to today's low- to mid-intensity threat environment.

The intelligence gathering, analysis and dissemination capability of our MAGTFs has been dramatically improved with the creation of a Surveillance, Reconnaissance and Intelligence (SRI) Group. The SRI Group consolidates these critical capabilities, and links the MAGTF's command element to national intelligence systems. This capability, together with its resident air, ground and logistics elements, has enhanced our ability to provide a rapidly-deployable Joint Task Force headquarters to the CINCs. Simply stated, we have sharpened our teeth and shortened our tail with enhancements made from within our existing force structure.

Research, Development and Acquisition

We have traditionally looked to the future for innovative ways to improve existing capabilities and develop new ones. A streamlined and more responsive research, development and acquisition process has made it possible to place the best equipment in the hands of our Marines in the shortest time. Our priorities in research, development and acquisition programs are based on the procurement of systems necessary for projecting forces from the sea, onto the land, from distances well beyond the horizon. Our intent is to increase our ability to operate with added mobility and flexibility. The same vehicles used to project forces ashore must become our tactical-mobility vehicles for operations on land. Our foremost priorities are: a medium-lift helicopter replacement, an advanced amphibious-assault vehicle and more lethality and capability for our light armored vehicles.

Medium-lift Replacement

No Marine Corps requirement is more pressing than the need to identify a solution for the replacement of our

medium-lift assault capability. The aging CH-46 helicopter is entering its 26th year of service life. While it has served us well, we can no longer expect it to carry Marines in harm's way on the modern battlefield. Precision guided munitions and hand-held surface-to-air-missiles place these 30-year-old helicopters and the Marines they carry at risk. The decision to cancel MV-22 procurement has caused us again to reexamine available alternatives. This process is currently ongoing. Critical to our requirement is that any replacement must include the capability to:

- Execute explicit strategic surprise and deception,
- Execute true over-the-horizon operations,
- Deliver a rapid concentration of forces,
- Extract and redeploy forces at critical times,
- Enhance force survivability and
- Navigate and communicate at night and in adverse weather conditions.

Having stated this requirement as our most pressing need, I should mention that whatever alternative is adopted, it will not be inexpensive. We urgently need to identify and procure a medium-lift assault airframe



Ground Combat

Our ground-combat capability was improved by the Soldier-Marine Enhancement Program of last year. Funds were provided for the continued development and procurement of more lethal infantry weapons and improved "soldier items" to include lighter, more comfortable load-bearing equipment, field gear, survivability items, communications equipment and navigation aids. This important program enhanced the warfighting capability of our Marines and is sincerely appreciated.

To expand the operational capabilities of the light armored family of vehicles we intend to continue expansion of this program to acquire an assault gun variant and an air defense variant. This lightweight, readily-transportable, highly-mobile asset is proving its worth in Panama today. With an expanded capability, it will add tremendously to our ability to operate at any level of conflict, particularly at low- to mid-intensity conflict levels. Recognizing the extraordinary potential of these vehicles, the Army recently requested, and we provided to them, 18 vehicles to equip a scout element in the 82nd Airborne Division.

Aviation

We are continuing to improve our aviation assets by upgrading the avionics of our fixed-wing aircraft and enhancing the night-vision capability of our helicopters. To lower operating costs and increase commonality, we are reducing the number of types/models/series of aircraft in our inventory by procuring "in-production" aircraft to meet our requirements. We will procure the F/A-18, the CH-53E, the AV-8B and the AH-1W for our active and Reserve squadrons.

C4I2

We are also upgrading our Command, Control, Communications, Computers, Intelligence and Inter-operable systems to enhance our ability to exchange secure, near real-time tactical information in joint and combined operations. Our new intelligence center will be a model fusion center for all-source intelligence, and it will focus on low- to mid-intensity conflict. The center will ensure that the collection and production of intelligence is tailored to the Marine Corps' unique mission requirements.

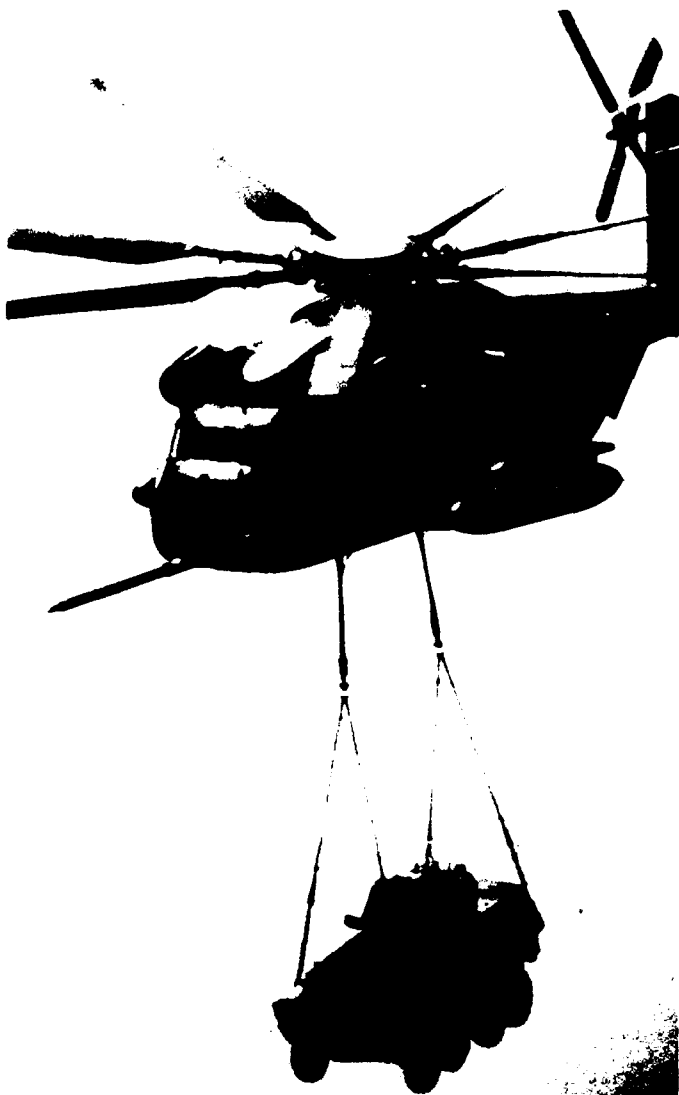
The Corps' focus on low- to mid-intensity conflict over the past two years has driven us to some major decisions, not only in our procurement plans, but most



which will survive the threats, provide the needed mobility and be able to remain in service well into the next century. I can assure you that our reputation for frugality will not be tarnished in this effort and that the weapons systems we identify will be both mission capable and cost effective.

Advanced Amphibious Assault Vehicle

To complement our vertical-assault capability, we are pursuing the development of an Advanced Amphibious Assault Vehicle. This program is critical to gaining a true over-the-horizon power projection capability. The High Water Speed Technology Demonstration Vehicle has validated the concept of producing an amphibious vehicle capable of rapidly moving the elements of the MAGTF from amphibious shipping located over the horizon to inland objectives.



importantly, in the direction the Marine Corps will take in the next 10 years. We have concentrated on those capabilities which will keep us responsive to our nation's future requirements. This translates to weapon systems which can get to the fight quickly and influence the battle after they arrive. Heavier and less-deployable systems will take a lesser priority. It was this realignment of our priorities, and the realities of reduced funding levels, which prompted us to terminate the M1A1 procurement.

Manpower

Regardless of the threats which will face our nation in the future, the military strategies we will develop to deal with them or the equipment we will invest in to execute the strategy, our ability to preserve our national security will rest, as it always has, on the individual Soldier, Sailor, Airman or Marine. Whether in the point

squad, the lead airplane or manning a ship at sea, people are our most valuable asset. They must "stand in harm's way" in complex circumstances on a daily basis. Accordingly, the main effort of our manpower programs and activities will continue to focus on recruiting, retaining, developing and safeguarding quality Marines.

Where Are Your Marines?

Sixty-eight percent of your Marines are assigned to our operating forces. They serve throughout the world with the Fleet Marine Forces (FMFs); with the security detachments on ships, posts and stations; with the State Department; and with other national agencies and U.S. commands. We demand that these Marines, as well as the remaining 32 percent who comprise the supporting forces, be decisive, self-reliant and versatile. They are capable of independent action and, when called upon, we expect them to lead in combat. Because of the serious responsibilities and demands we levy on our Marines, we will not compromise our standard of excellence.

Quality

We have recognized for a long time the link between our readiness and the caliber of our recruits. Supported by the resources Congress has provided, our recruiters have answered the call to recruit first-rate Marines. Last year, 95 percent of our admissions were high school graduates with fewer than one half of 1 percent falling in mental category IV. These Marines are bright, highly motivated and eager to learn. The Corps' efforts to recruit quality Marines will not diminish.

Retention

We continually are aware of the importance of retaining the quality Marines we work so hard to find and train. We have been successful in keeping most in the





Corps, but we must do more to keep quality Marines with critical skills on board. Retention management programs like the Aviator Retention Bonus (ARB), the Selective Reenlistment Bonus (SRB) and duty station incentives are crucial to us. They provide the tools necessary for retaining good, experienced Marines. These programs reduce our dependence upon new accessions, lower training costs and contribute to stability and unit cohesion.

Total Force

Our emphasis on manpower quality is enhanced by our commitment to the Total Force concept. The responsiveness and preparedness of our active forces will continue to benefit from the support of the Marine Reserve and our civilian manpower resources. We have taken steps to ensure that the Marine Corps Reserve is adequately structured, equipped and trained to assume a larger role in augmenting and reinforcing the active forces when employed in high-intensity conflict. Similarly, our supporting establishment is highly dependent upon the skills and professionalism resident in the 20,869 civilians for whom we seek funding in FY 91. Finally, we will rely more heavily on our retired Marines. I expect all Marines to recognize the value of our retirees and to draw liberally from the experience and knowledge present within their ranks.

Force Management

The Officer Force Management Review Panel (OFMRP) conducted a comprehensive review of our officer corps this year. The recommendations of the panel have provided us a blueprint with which to validate all of our officer Military Occupational Specialty (MOS)

requirements. It also will allow us to correct grade and MOS imbalances and justify some increase in field grade authorizations under DOPMA. These actions will not adversely affect our ability to maintain a healthy officer to enlisted ratio.

Our active-duty enlisted Marines are benefiting from the continuing improvement of Enlisted Career Force Controls. These controls are active measures taken to balance the population of first-term Marines with our requirements for Marines of specific grades and MOSs. The results are standardized promotion timing, some relief from critical MOS shortages and an appropriate level of experience for each grade.

Quality of Life

Concomitant with readiness and retention are the quality-of-life programs which affect the lives of our Marines and their families. Our quality-of-life efforts feature concerned leadership, realistic training, sound education, discipline, including self-discipline, unit cohesion and a strong sense of taking care of our own. *Esprit de Corps* and our leadership philosophy foster a high quality of life which instills values and attitudes which transcend each Marine's actual period of enlistment. In the words of our 13th Commandant, General John A. Lejeune, **"These men are in the formative years of their lives, and officers owe it to them, to their parents and to the nation, that when discharged from the service they should be better mentally, physically and morally than when they were enlisted."**

Today, we continue to emphasize the importance of the Marine family because of the increase in the number of married Marines. I still am concerned about the high cost of living which requires two incomes to maintain the minimum requirements for food, clothing and shelter, and that there are Marines serving their country, who are living on food stamps.

Maintaining our family housing is critical to our quality-of-life program. Our facilities maintenance, repair and construction programs reflect quality-of-life requirements and the replacement of aging facilities and infrastructure. Whole-house rehabilitations of government quarters are examples of how we intend to do the most with the resources we have. With your support, we have maintained the quality and availability of our family housing. We are devoting considerable effort to this important area, but the expanding dependent population and our limited resources hold us at the perpetual break-even point.

Our 18 Family Service Centers handled approximately 300,000 contacts last year. We are improving our responsiveness to the needs for relocation and deployment support. With increasing success, the Employment Resource Center program assists spouses in finding employment and assists retiring and separating Marines in obtaining civilian positions.

We are in step with the Military Child Care Act of 1989 regarding child care programs. We have reduced the child-to-staff ratio in our Child Development Centers and have improved our compliance inspection program. We are planning to expand the Family Day Care program this year through extended certification efforts.

Medical care for our Marines and their dependents remains a high priority. We are still experiencing shortages in the numbers of doctors, nurses and corpsmen required. The new CHAMPUS Reform Initiative has been helpful in improving timely payments of claims, however, we are still seeing many late payments. I respectfully ask that you continue to monitor and correct the deficiencies in these programs.

Many of these quality-of-life issues have a significant impact on our retired Marines. They are confronted with the increased cost-of-living expenses, reduced medical care, and finding employment. We make every effort to assist our retirees in solving these problems, but as we reduce our defense spending many of the programs that impact on them will be affected. We cannot afford to ignore the needs of our retirees, one of our most valuable national resources.

Training and Education

We have made significant changes in our training and



education programs over the past year. I would like to express my appreciation for the interest and support you have provided. With your help we have achieved a virtual renaissance in training and education throughout the Corps.

We derive our training and education philosophy from the realities of tomorrow's warfare. The improvements in training and education will enable the Marine Corps to quickly respond to changes in the world order, witnessed in the past year and expected in the future. We determined that Marines must be proficient in both the science and art of warfighting. They must be tougher and better educated. The Marine Corps' ability to respond rapidly, to fight and to win, requires enhanced combat training and an enduring professional attitude of every Marine. It is an attitude which recognizes that the study of the profession of arms is a way of life. Our program ensures that every Marine, from private to general, active or Reserve, is either attending a formal school or participating in a structured self-study program.

To meet this challenge, we have addressed all areas of training and education from boot camp through top-level school. Our program derives its focus from short-notice, high-tempo, combined-arms, maneuver-oriented conflict. The Corps' success will depend upon thinking leaders with the mental agility to apply the lessons of history to the complexity of the battlefield. All of our schools stress decision making under conditions of uncertainty. They emphasize rapid planning and strive to replicate the chaos and uncertainty of the modern battlefield. We teach our students to expect the unexpected, to use initiative and to prepare for combat across the full spectrum of conflict. We place particular emphasis on low-intensity operations.

Training: Our entry-level training is now more combat oriented than ever before. There are no rear areas or occupational specialties which do not require a warrior. All Marines, regardless of MOS, train rigorously in infantry combat techniques.

Marine Battle Skills Training (MBST) is a comprehensive training program designed to develop and sustain basic combat skill throughout a Marine's career. The program includes extensive firing of individual and crew served weapons, basic knowledge of field skills, rugged battle drills and combat oriented conditioning. It is organized into progressive, mutually supporting stages which begin at boot camp and follow Marines throughout their service. Along with this program, we have



made major improvements in combat marksmanship, close combat, combat water survival and physical training.

Education: The Marine Corps University, established last year, marks a major step forward in our professional military education. It has cognizance over all Marine schools of professional military education. The University includes the NCO schools, the Staff NCO academies, The Basic School, the Amphibious Warfare School and the Command and Staff College. We have staffed the Marine Corps University with a first-rate military and civilian faculty.

Two new programs will be offered at the University beginning in September 1990: **The School of Advanced Warfighting** and **The Art of War Studies**. **The School of Advanced Warfighting** will be offered to select graduates of Command and Staff College. The officers selected will remain at Quantico, Va., for an additional year of study. The curriculum will prepare them for assignment to key positions in our MAGTFs and high-level joint and combined staff billets. The course will emphasize the operational art of war and a thorough review of the dynamics of joint and combined warfare.

The second program, **The Art of War Studies**, is designed to educate selected senior officers in the art and science of warfare. This program is the foundation of our efforts to ensure we have a first class faculty at our Command and Staff College. Students will study conflict throughout the spectrum and will be well versed in the doctrinal concepts of warfighting. Graduates will be assigned to a two-year, follow-on tour as a member of the Command and Staff College faculty.

A planned research center will be the repository for historical records, studies and analyses of expeditionary and amphibious warfare. This research center will sup-

port the university as well as be available to Marines worldwide.

We have also established the **Marine Corps Wargaming and Assessment Center** at the Marine Corps Combat Development Command in Quantico. Our Wargaming and Assessment Center assists us in validating changes to our concepts, doctrine and plans. In an austere fiscal environment, wargaming is an accepted, cost effective substitute for expensive field exercises. We are tailoring and conducting wargames for all levels of war. Since March 1988 we have conducted over 30 war games for the formal schools, operating forces and Reserve units of the Marine Corps. Additionally, our CMC Policy and Strategy Series provides war games for flag and general officers of the Marine Corps and other services, CINCs and the senior leadership of civilian agencies. In October of last year, we conducted an indirect warfare/ counter-insurgency game centered on the Philippines. The issues that we addressed during the game proved to be both timely and important. This year, the center will conduct a counter-narcotic game focused on policy and operational decision making.

Our **Professional Reading Program** was designed to improve the operational literacy of our Marines. We have seen a dramatic increase in the number of Marines who are reading about their profession. Since the profession of arms is becoming more complex, and with the increased reliance on technology, we sometimes overlook the most sophisticated computer of all, the human mind. Our training and education programs are designed to tap the intellectual and physical resources of our Marines and apply them to our profession of arms. Our training and education programs will institutionalize the changes we have made.

Conclusion

We have always emphasized training, education and discipline in everything we do. Our contributions to the nation over the years are the result of the vision of exceptional leaders translated into battlefield performance by trained Marines. We are continuously shaping and tailoring our expeditionary forces to meet the unique requirements of a variety of conflicts and the countless deterrence deployments throughout the so-called periods of peace. Our expeditionary tradition and flexibility have prepared the Corps to respond almost by instinct to the tasks ahead. We have trained for years to achieve a high state of readiness. We are ready to deploy by any means available, ship, air, rail or road. We can escalate combat power to meet whatever we encounter,



and we can operate with relative self-sufficiency or as part of a Joint Task Force. Today, our training and education programs prepare Marines to respond to and overcome whatever challenges a rapidly changing world order dictates.

The Marine Corps has been modernized from the bottom up. This modernization has prepared us for the most probable threats of the future. The most important elements of any threat however, are capabilities—not intentions. While we are seeing a reduction in the Soviet threat, the potential for conflict among the emerging nations of the world is increasing. Two years ago, we charted a course for the Marine Corps which would enhance our ability to respond to the changing international security environment. This has enabled us to build upon the existing structure of our MAGTFs, with their organic air support and combat service support, for self-sustaining, maritime expeditionary operations in low- to mid-intensity conflict.

Based upon the need for a force-in-readiness and the belief that her Marines will prevail in crises, our nation has made a significant investment in her Marine Corps. We provide a high return on that investment. Naval forces have been the nation's force of choice in 80 percent of our military crises since the end of World War II. With this in mind, it is important to note the Marine Corps provided significant forces in more than 50 percent of these situations. This is our return to the nation for approximately 5 percent of its defense budget investment. In short, the investment has already been made, the forces already exist and the expeditionary capability is already resident in your flexible, useful and ready-now, force of combined arms called Marines. Your Corps will continue to take what you give us, do what is required—and more.

Our request for FY 91 is as follows:

(\$ Millions)

<i>Appropriation Table</i>	<i>FY 89</i>	<i>FY 90</i>	<i>FY 91</i>
Military Personnel (Marine Corps)	\$5,679.0	\$5,794.3	\$5,918.6
Reserve Personnel (Marine Corps)	315.0	314.5	336.4
Operation and Maintenance (Marine Corps)	1,839.9	1,808.7	1,948.1
Operation and Maintenance (Marine Corps Reserve)	77.4	77.4	86.1
Procurement (Marine Corps)	1,291.8	1,075.2	782.1
Family Housing (Marine Corps Allocation)	156.0	152.4	137.5
Military Construction (Marine Corps Projects)	275.5	178.1	142.0
Military Construction (Marine Corps Reserve Projects)	4.7	16.3	8.9
Stock Fund (Marine Corps)	32.8	19.8	25.6
Total	\$9,672.1	\$9,436.7	\$9,385.3